



2006

State Transportation Improvement Program Fund Estimate

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California Transportation Commission
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Prepared by California Department of Transportation
Business, Transportation and Housing Agency





2006 STATE TRANSPORTATION IMPROVEMENT PROGRAM FUND ESTIMATE

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*The 2006 State Transportation Improvement Program Fund Estimate Book is available online at
www.dot.ca.gov/hq/transprog/STIP2006/stip2006.htm.*

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ACRONYMS

A&D	Acquisition and Development
AC	Advanced Construction
AIP	Airport Improvement Program
AB	Assembly Bill
CCCI	California Construction Cost Index
DOF	California Department of Finance
Department	California Department of Transportation
CHCCI	California Highway Construction Cost Index
CHP	California Highway Patrol
Commission	California Transportation Commission
COS	Capital Outlay Support
FHWA	Federal Highway Administration
HBRR	Federal Highway Bridge Replacement and Rehabilitation
FE	Fund Estimate
GARVEE	Grant Anticipation Revenue Vehicles
HSRA	High-Speed Rail Authority
HUTA	Highway Users Tax Account
OA	Obligational Authority
PPM	Planning, Programming, and Monitoring
PMIA	Pooled Money Investment Account
PTA	Public Transportation Account
PUC	Pursuant to Public Utilities Code
RTIP	Regional Transportation Improvement Programs
RTPA	Regional Transportation Planning Agencies
RABA	Revenue Aligned Budget Authority
R & T Code	Revenue and Taxation Code
SB	Senate Bill
SHA	State Highway Account
SHOPP	State Highway Operation Protection Program
STA	State Transit Assistance
STIP	State Transportation Improvement Program
SMIF	Surplus Money Investment Fund
TBSRA	Toll Bridge Seismic Retrofit Account
TBSRP	Toll Bridge Seismic Retrofit Program
TCRF	Traffic Congestion Relief Fund
TDIF	Transportation Deferred Investment Fund
TE	Transportation Enhancement
TIF	Transportation Investment Fund

EXECUTIVE SUMMARY

The California Department of Transportation (Department) manages the nation's largest and most complex multi-modal transportation system. Administration of such a system requires extensive planning and a comprehensive long-term financial forecast. Biennially, the California Transportation Commission (Commission) prepares the State Transportation Improvement Program (STIP).

The State Transportation Improvement Program (STIP) Fund Estimate (FE) is an estimate of all resources available for the state's transportation infrastructure over a specific five-year period. The FE estimates, in annual increments, all federal and state funds reasonably expected to be available for programming in the subsequent STIP. The 2006 STIP FE covers a five-year period from 2006-07 through 2010-11.

Statutes require the Department to present a FE to the Commission by July 15, and the Commission to adopt a FE by August 15 of each odd-numbered year. Each even-numbered year, the Commission is required to adopt a STIP based on funding identified in the adopted FE.

Statutes also allow the Commission to delay the adoption of a FE if there is legislation before the Legislature or Congress that may have a significant effect on the FE. On July 14, 2005, the Commission exercised its option to delay the adoption of the FE until September 29, 2005, due to uncertainty regarding the financing of the Toll Bridge Seismic Retrofit Program and the pending federal reauthorization.

A Two-Tiered Fund Estimate

During the development of the 2006 STIP FE, there was a high level of uncertainty on whether major revenue sources would be realized during the FE period, including Proposition 42 transfers to the Transportation Investment Fund (TIF), transfers to the Transportation Deferred Investment Fund (TDIF) for repayment of prior year TIF transfers, proceeds from the sale of Tribal Gaming bonds, and annual transfers of the Public Transportation Account (PTA) Spillover. The FE is required to base revenue assumptions on existing law, however, existing law does not provide any guarantee that these revenues would actually be realized.

To address this uncertainty, the Commission directed the Department to prepare a two-tiered fund estimate. Tier 1(B) assumes that none of the revenue items will be realized during the FE period. Tier 2(A) is based on existing law, which assumes that all of the revenue authorized in statute would be realized

during the FE period. On September 29, 2005, the Commission adopted the 2006 STIP FE Tier 2(A) program capacity as the statutory funding level for the 2006 STIP. Tier 1(B) program capacity is only presented here in the Executive Summary and in the STIP FE section. The remaining references and tables are based on the adopted Tier 2(A) STIP FE.

Note: The adopted 2006 FE Assumption Book identifies the two tiers as Tier 1 and Tier 2. The Commission has referred to the Tiers by the letters 'B' and 'A', respectively. To reduce confusion, the 2006 STIP FE identifies the tiers as Tier 1 (B) and Tier 2 (A).

Results of the 2006 STIP FE

Program commitments for the 2006 STIP FE total \$14.2 billion. These commitments include a constrained SHOPP of \$12.9 billion (\$10.0 billion for capital) after escalation for construction capital. STIP commitments and obligations total \$1.3 billion and consist of GARVEE debt service, Transportation Enhancements, AB 3090 cash reimbursements, STIP right-of-way and STIP pre-construction support programmed to begin in 2005-06.

2006 STIP FE Program Commitments								
(\$ millions)								
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total	6-Year Total
SHOPP	\$2,296	\$2,433	\$2,504	\$2,575	\$2,646	\$2,722	\$12,879	\$15,175
STIP	\$417	\$384	\$340	\$267	\$169	\$177	\$1,337	\$1,754
Total Program Commitments	\$2,713	\$2,817	\$2,844	\$2,843	\$2,815	\$2,899	\$14,217	\$16,930

Note: Numbers may not add due to rounding.

See Appendix A for more details

Tier 1(B) FE. Under Tier 1(B) assumptions, the FE funds a constrained SHOPP and STIP obligations, but does not project any STIP capacity for the FE period. Consequently, none of the 2004 STIP would be funded.

2006 STIP FE Tier 1(B) Program Capacity								
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total	6-Year Total
Tier 1(B) SHA STIP Program Capacity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Funds:								
PTA Capacity	\$64	\$0	\$0	\$0	\$0	\$0	\$0	\$64
TIF Capacity	\$254	\$0	\$0	\$0	\$0	\$0	\$0	\$254
TDIF Capacity	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total STIP Program Capacity	\$318	\$0	\$0	\$0	\$0	\$0	\$0	\$318
2004 Programmed STIP	\$1,211	\$1,278	\$1,231	\$1,316	\$0	\$0	\$3,825	\$5,036
New STIP Program Capacity	(\$893)	(\$1,278)	(\$1,231)	(\$1,316)	\$0	\$0	(\$3,825)	(\$4,718)

Note: Numbers may not add due to rounding.

Tier 2(A) FE. Tier 2(A) FE estimates program capacity of \$5.616 billion over the five-year FE period. The SHA provides \$209 million from the Traffic Congestion Relief Fund (TCRF) loan repayment towards STIP program capacity after funding the constrained SHOPP and STIP obligations. The majority of program capacity for the STIP comes from PTA Spillover revenues and Proposition 42 transfers to the TIF.

2006 STIP FE Tier 2 (A) Program Capacity								
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total	6-Year Total
Tier 2 (A) SHA STIP Program Capacity	\$261	\$83	\$0	\$120	\$0	\$6	\$209	\$470
Other Funds:								
PTA Capacity	\$350	\$225	\$320	\$320	\$310	\$285	\$1,460	\$1,810
TIF Capacity	\$600	\$800	\$685	\$685	\$680	\$680	\$3,530	\$4,130
TDIF Capacity	\$0	\$0	\$226	\$191	\$0	\$0	\$417	\$417
Total STIP Program Capacity	\$1,211	\$1,108	\$1,231	\$1,316	\$990	\$971	\$5,616	\$6,827
2004 Programmed STIP	\$1,211	\$1,278	\$1,231	\$1,316	\$0	\$0	\$3,825	\$5,036
New STIP Program Capacity	\$0	(\$170)	\$0	\$0	\$990	\$971	\$1,791	\$1,791

Note: Numbers may not add due to rounding.

Over the six-year period from 2005-06 through 2010-11, Tier 2(A) provides an additional \$1.8 billion of new STIP capacity on top of the 2004 STIP. Two-thirds of this new STIP capacity will come from the PTA.

Bottom Line

The SHOPP is constrained in the 2006 STIP FE, and STIP will be dependent on transfers of PTA Spillover revenues, Proposition 42 transfers to TIF, and loan repayments. In addition, the impacts of hurricanes Katrina and Rita on the availability and costs of construction labor and materials have not yet materialized. As a result, the actual number of projects that can be funded could be significantly lower if costs rise substantially. Furthermore, if budgetary problems persist, there is a significant risk that Spillover revenues and Proposition 42 funds will be redirected to the General Fund. Consequently, the actual level of programming capacity available for the STIP will most likely fall somewhere between the two Tiers.

Challenges to Transportation Funding

Fiscal year 2005-06 represents the first year that the full Proposition 42 transfer has been authorized in the state budget since the Transportation Investment Fund (TIF) was established. Yet, despite receiving this \$1.313 billion in transportation funding in 2005-06, California's highway system still faces a major funding crisis.

State Budget. Currently, the main impediment to stable and reliable transportation funding has been the state budget. Over the past five years, more than \$5 billion in transportation funding has been deferred, borrowed, or diverted to help mitigate budget shortfalls in the General Fund. Furthermore, the repayments of these loans have also become unreliable because of continuing problems in the state budget.

In the short-term, a balanced state budget that does not rely on special funding would go a long way towards ensuring stable funding for transportation. In the long-term, it is essential that there be a firewall to protect transportation funding. Funding sources such as Proposition 42 and Spillover revenues are not protected, and the unreliability of these sources causes a great deal of difficulty in planning and project delivery.

Rising Costs. A second problem facing California's transportation funding is highlighted by the 2006 STIP FE. The State Highway Account FE is projected to only fund a constrained SHOPP and existing STIP obligations, no STIP projects after 2004-05. One of the primary reasons the State Highway Account is not able to fully fund the SHOPP is because revenues, such as the state excise tax on gasoline and diesel fuels, have not kept up with the rising costs of highway construction and operations.

Since fuel excise tax was last increased in 1994, usage of the state highways has increased over 20 percent, while price inflation has eroded the per-gallon tax purchasing power by over 30 percent. In addition, the costs of improving and maintaining the highways has increased faster than the general price inflation, especially in the last two years.

In its analysis of the 2004-05 budget, the Legislative Analyst's Office recommended indexing the excise tax on fuel so that the revenues would have some hope of keeping pace with inflation. Indexing the state excise tax would lessen the erosion of transportation funding over time, and mitigate the rising costs the Department incurs to maintain the State's highway system.

Distribution of Funds. The 2006 STIP FE also made clear that STIP capacity is dependent on TIF transfers of gasoline sales tax and the PTA Spillover revenues. The majority of the state's STIP projects are on state highways and local roads, with a relatively small portion going to transit related projects. However, approximately 36 percent of the TIF and Spillover revenues will flow through the PTA, where the use of funds for STIP is restricted for transit projects only.

As a result of the current distribution of funds, there may be excess funding available for STIP transit projects and a shortage of funding for STIP highway and local road projects. One solution might be to combine all gasoline sales tax revenues including Proposition 111, PTA Spillover, and TIF distributions, and adjust the distribution formula to more closely match the mix of STIP project needs.

INTRODUCTION

Biennially, the California Department of Transportation (Department) is required by Government Code Sections 14524 and 14525 to develop a State Transportation Improvement Program (STIP) Fund Estimate (FE). The FE provides an estimate, in annual increments, of all federal and state funds reasonably expected to be available for programming in the subsequent STIP, and to provide a plan to manage these funds over the subsequent five years. The 2006 FE will cover the period from 2006-07 through 2010-11, with the 2005-06 year included as the base year.

The Department is required to present a FE to the California Transportation Commission (Commission) by July 15, and the Commission to adopt a FE by August 15 of each odd-numbered year. By April of each even number year, the Commission is required to adopt a STIP based on the funding level identified in the adopted FE. On July 14, 2005, the Commission exercised its option to delay the adoption of the FE until September 29, 2005, due to uncertainty regarding the financing of the Toll Bridge Seismic Retrofit Program (TBSRP) and the pending federal reauthorization. Below are the dates and milestones for the development of the 2006 STIP FE:

<u>Date</u>	<u>Milestone</u>
May 25, 2005	Commission adopts the 2006 FE Assumptions Book.
July 14, 2005	Department presents the 2006 Draft FE.
August 14, 2005	Commission approved a resolution delaying adoption of FE to September 2005.
September 29, 2005	Commission adopted Tier 2(A) of the 2006 STIP FE as the statutory funding level for the 2006 STIP.

Two-Tiered Fund Estimate

The STIP and the State Highway Operation Protection Program (SHOPP) comprise the major portion of the state's transportation infrastructure program. Historically, the primary sources of funds for the STIP and SHOPP have been user fees, including excise tax on motor vehicle fuels and weight fees from the State Highway Account (SHA), and Federal Trust Funds from federal excise tax on motor vehicle fuels. State funds were constitutionally protected under Article XIX of the California Constitution from diversion for other purposes, while the use of federal funds are controlled by federal law.

In 2000, the Traffic Congestion Relief Act of 2000 (TCRA) created the Traffic Congestion Relief Program (TCRP), which committed \$4.9 billion to 141 designated transportation projects funded by General Fund transfers of gasoline sales tax revenues. The TCRA also created the Traffic Congestion Relief Fund (TCRF) and the Transportation Investment Fund (TIF) to facilitate these transfers from the General Fund to the TCRF. The TIF would also distribute gasoline sales tax revenues to local governments and the Public Transportation Account (PTA), and make funds available for STIP projects. However, the TCRA made transportation commitments dependent on General Fund revenues.

In 2001-02, the State faced a budget shortfall and borrowed transportation funding to help balance the budget. The Transportation Refinancing Plan, Assembly Bill (AB) 438 (Chapter 113, Statutes of 2001), authorized a series of actions that had a detrimental impact on transportation funding, including the delay of General Fund transfers to TIF for two years, a loan to General Fund from initial TCRP funding, and SHA and PTA loans to the TCRF to backfill funds loaned to the General Fund. As budget problems continued over the next two years, General Fund transfers to TIF were partially and then completely suspended, and transfers of PTA Spillover revenues were essentially eliminated. By June 2005, \$1.4 billion in loans were outstanding to the STIP.

Government Code Section 14524(c) requires the FE to base revenue assumptions on existing state and federal statutes. However, existing law does not provide any guarantee that revenues will be realized, particularly in light of budgetary actions over the recent past. Consequently, the 2006 FE has four major revenue issues that will have a significant impact on the outcome of program capacity for the 2006 STIP. Specifically, these revenue issues are:

- **TCRF Loan Repayment** - The TCRF repayments to the SHA and PTA were originally scheduled by statute to occur in 2006-07 and 2007-08. The enacted budget assumes the majority of loans will be repaid in 2005-06 from bond proceeds secured by Tribal Gaming revenues. However, lawsuits challenging legality of this plan have delayed the bond issue and it is uncertain when the loan repayments will occur.
- **Transportation Investment Fund Transfers** - General Fund transfers of gasoline sales tax revenues to the TIF were delayed for two years, partially suspended in 2003-04, and then completely suspended in 2004-05 by legislative actions to fund shortfalls in the state budget. The 2005-06 enacted Budget authorized the General Fund transfer to the TIF in 2005-06, but there is no certainty whether other transfers will occur during the FE period.

- **Transportation Deferred Investment Fund Repayments** - The repayment of TIF suspensions for 2003-04 and 2004-05 are scheduled by statute to occur in 2007-08 and 2008-09. Given the current budget environment and the use of transportation funds, it is difficult to determine with any certainty whether these repayments will be realized during the FE period.
- **PTA Spillover revenues** - Under Revenue and Taxation Code Section 7102(a)(1), revenues derived from 4.75 percent of all taxable sales less 5.0 percent of all taxable sales except gasoline are to be transferred to the PTA. PTA Spillover transfers have been suspended in the past to help balance the state budget. The last quarterly transfer of Spillover revenues occurred in April 2004.

To address the uncertainty of the major revenues, the Commission directed the Department to prepare a two-tiered FE. The intent of a two-tier fund estimate is to identify the minimum funding level the Commission could expect under the most conservative revenue outcomes to determine the level of SHOPP and STIP that could be funded.

Tier 1(B) represents a conservative revenue outlook that assumes that none of the revenue items above will be realized during the FE period. This would result in minimal programming, if not deprogramming, of existing STIP projects. Tier 2(A) is based on existing law, which states that all of the revenue items listed above will be realized as outlined in statute. The Commission adopted the 2006 STIP FE Tier 2(A) program capacity as the statutory funding level for the 2006 STIP. The table below defines the tiers by each revenue issue.

Tier Revenue Issues	Tier 1(B) Assumptions	Tier 2(A) Assumptions
TCRF Loan Repayment	No Tribal Gaming bonds are issued and no loan repayments made during the Fund Estimate period.	Tribal Gaming bonds are issued and loans are paid in 2005-06.
TIF Transfer	No TIF transfers occur during the Fund Estimate period.	TIF transfers occur in 2006-07 and continue for remainder of the Fund Estimate period.
TDIF Repayments	No TDIF repayments made during the Fund Estimate period.	2003-04 and 2004-05, TIF suspensions are repaid to the TDIF in June 2009 and June 2008.
PTA Spillover Revenues	No Spillover revenues are transferred during the Fund Estimate period.	Spillover revenue is transferred in 2006-07 and continues for remainder of the Fund Estimate period.

Methodology

The Department in consultation with the Commission, Regional Transportation Planning Agencies (RTPA), and county transportation commissions, determines the methodology and assumptions used for the FE. The Commission approved the methodology and assumptions at its meeting on May 25, 2005.

- The 2006 STIP FE is based on a “Cash Flow Allocation” model. This methodology schedules funding capacity based upon cash flow requirements and is reflective of the method used to manage the allocation of capital projects.
- State law requires the FE to estimate revenues based on current statutes and the most recent enacted Budget Act. Revenue estimates for future periods are based on historical trends, the economic outlook, and in consultation with the California Department of Finance (DOF).
- Expenditure projections are required by law to use the most recent enacted Budget Act and adjust for annual inflation. State Operation expenditures, not including capital outlay support, are escalated at a 3.1 percent rate set by DOF Budget Letter 05-22.
- Federal Local Assistance expenditures are not cash flowed and are displayed on an accrual basis in the SHA FE.
- Program expenditures and cash flow estimates for each program were developed by working with each respective division of the Department. The detailed assumptions for revenues and expenditures are included in Appendix G, and changes to the assumptions are included in Appendix H.
- SHOPP capital costs were increased in the base year 2005-06 by 8.3 percent, then escalated at the annual average rate of 3.0 percent, based on the historical California Highway Construction Cost Index (CHCCI) performance.
- Existing commitments are displayed as cash flows for all SHOPP projects, STIP projects receiving allocations in 2004-05, AB 3090 reimbursement projects, GARVEE projects, and support programmed to begin in 2005-06.
- The FE is required to identify funds available for programming by county. The methodology for determining the level of programming by county is identified by the county share system established by Senate Bill (SB) 45 (Chapter 622, Statutes of 1997).

- The Department converts the fund cash balances to programming capacity—an amount that can be committed for projects each year. This conversion to capacity uses linear programming to maximize capacity while maintaining a cash balance as close to the minimum operating cash balance as possible and minimizing the fluctuation of annual program levels. Included within the programming capacity is the level of capital outlay and support necessary for the delivery of capital. Program capacity will be liquidated over several years, and the Department assumes as part the conversion to capacity that a given program level will spend at percentage rates of 20/50/30 over a three year period.
- Federal Obligation Authority is based on the federal program apportionment levels in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) signed into law in August 2005.

County Shares

The STIP consists of two broad programs, the regional program funded from 75 percent of new STIP funding and the interregional program funded from 25 percent of new STIP funding. The 75 percent regional program is further subdivided by formula into County Shares. County Shares are available solely for projects nominated by regions in their Regional Transportation Improvement Programs (RTIP). A detailed explanation of this methodology is included in the County Share portion of this document.

STATE TRANSPORTATION IMPROVEMENT PROGRAM FUND ESTIMATE

The State Transportation Improvement Program (STIP) is a five-year planning document adopted every two years that commits transportation funds for increasing capacity and improving operations related to rail, mass transportation, local highways, and the state highway system. In order to develop the STIP, a STIP Fund Estimate (FE) must be prepared to estimate the total federal and state funds reasonably expected to be available for transportation over the next STIP period. STIP funding is derived from the FEs of the State Highway Account (SHA), Public Transportation Account (PTA), Transportation Investment Fund (TIF) and the Transportation Deferred Investment Fund (TDIF).

- **State Highway Account** - The SHA is the main funding source for California's highway system. The principle sources of funds are the excise taxes on motor vehicle fuels, truck weight fees, and Federal Highway Trust Funds. This program commits major resources for improving highway safety, rehabilitation of existing system, improving the interregional road system, and ensuring the efficient operation of the state highway system.
- **Public Transportation Account** - The PTA trust fund supports the costs for the Department's transportation planning, mass transportation, Intercity Rail programs, and STIP projects. PTA revenues come primarily from the sales taxes on gasoline and diesel fuels and transfers from the SHA and the Aeronautics Account.
- **Transportation Investment Fund** - The TIF facilitates transfers of state sales tax on motor vehicle fuel from General Fund to Traffic Congestion Relief Fund, local government, and to the PTA, and makes funds available for the STIP.
- **Transportation Deferred Investment Fund** - The TDIF was established to facilitate the repayment of suspended TIF transfers from 2003-04 and 2004-05. Repayment to the TDIF, plus interest, will be distributed in the same manner had the TIF transfers occurred in 2003-04 and 2004-05.

The 2006 STIP FE program commitments total \$14.2 billion over the FE period. This total includes a constrained SHOPP capital level of \$10.0 billion before escalation and STIP obligations totaling \$1.3 billion. (See Appendix A for program commitment details.)

2006 STIP FE Program Commitments								
(\$ millions)								
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total	6-Year Total
SHOPP	\$2,296	\$2,433	\$2,504	\$2,575	\$2,646	\$2,722	\$12,879	\$15,175
STIP	\$417	\$384	\$340	\$267	\$169	\$177	\$1,337	\$1,754
Total Program Commitments	\$2,713	\$2,817	\$2,844	\$2,843	\$2,815	\$2,899	\$14,217	\$16,930

Note: Numbers may not add due to rounding.

Resources Available for Programming in the 2006 STIP

The ending cash balances available for programming for each STIP fund is converted to a programming capacity level that maximizes capacity while maintaining a minimum operating cash balance and minimizing the fluctuation of annual program levels. The table below shows the total and annual program capacities available for the 2006 STIP under Tier 1(B) and Tier 2(A) assumptions. More details of the resources and expenditures for Tier 2(A) are available on the following pages.

2006 STIP FE Program Capacity: Tiers 1(B) and 2(A)								
(\$ millions)								
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total	6-Year Total
Tier 1(B) STIP Program Capacity	\$318	\$0	\$0	\$0	\$0	\$0	\$0	\$318
Tier 2(A) STIP Program Capacity	\$1,211	\$1,108	\$1,231	\$1,316	\$990	\$971	\$5,616	\$6,827
2004 STIP Program	\$1,211	\$1,278	\$1,231	\$1,316	\$0	\$0	\$3,825	\$5,036
New Tier 2(A) STIP Program Capacity	\$0	(\$170)	\$0	\$0	\$990	\$971	\$1,791	\$1,791

Note: Numbers may not add due to rounding.

Highlights

- Under Tier 1(B) assumptions, the FE funds a constrained SHOPP and STIP obligations, but does not project any STIP capacity for the FE period. Consequently, none of the 2004 STIP would be funded.
- Tier 2(A) FE estimates program capacity of \$5.616 billion over the five-year FE period. The SHA provides \$209 million from the TCRF loan repayment towards the STIP program capacity after funding the constrained SHOPP and STIP obligations. The remaining \$1.582 billion

of program capacity for the STIP comes from PTA Spillover revenues and Proposition 42 transfers to the TIF.

- Over the six-year period from 2005-06 through 2010-11, Tier 2(A) provides an additional \$1.8 billion of new STIP capacity on top of the 2004 STIP. Two-thirds of this new STIP capacity will come from the PTA.
- The SHOPP is constrained in the 2006 STIP FE, and STIP will be dependent on transfers of PTA Spillover revenues and Proposition 42 transfers to TIF.
- The impacts of hurricanes Katrina and Rita on the availability and costs of construction labor and materials have not yet materialized. As a result, the actual number of SHOPP projects that can be funded could be significantly lower if costs rise substantially.
- If budgetary problems persist, there is a significant risk that Spillover revenues and Proposition 42 funds will be redirected to the General Fund. Consequently, the actual level of programming capacity available for the STIP will most likely fall between the two Tiers.



2006 STIP FUND ESTIMATE
Cash Flows & Program Capacity by Fund
TIER 2(A), (\$ millions)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total	6-Year Total
RESOURCES FROM STIP FUNDS								
State Highway Account (SHA) & Federal Trust Fund (FTF)								
State & Federal Resources	\$6,704	\$6,036	\$6,196	\$6,344	\$6,350	\$6,360	\$31,286	\$37,991
Commitments (Not subject to reprogramming):								
Maintenance	(\$989)	(\$1,047)	(\$1,079)	(\$1,113)	(\$1,147)	(\$1,183)	(\$5,568)	(\$6,557)
State Operations	(\$805)	(\$866)	(\$942)	(\$967)	(\$982)	(\$994)	(\$4,750)	(\$5,555)
Efficiency Savings	\$50	\$50	\$50	\$50	\$50	\$50	\$250	\$300
SHOPP	(\$1,576)	(\$1,962)	(\$2,269)	(\$2,454)	(\$2,567)	(\$2,599)	(\$11,851)	(\$13,427)
Local Assistance	(\$1,449)	(\$1,540)	(\$1,576)	(\$1,587)	(\$1,535)	(\$1,534)	(\$7,771)	(\$9,220)
Existing STIP Commitments against the SHA	(\$1,064)	(\$725)	(\$511)	(\$337)	(\$213)	(\$177)	(\$1,962)	(\$3,026)
SHA/FTF Cash Available for new STIP	\$871	(\$53)	(\$131)	(\$64)	(\$43)	(\$76)	(\$367)	\$504
SHA/FTF PROGRAMMING CAPACITY	\$261	\$83	\$0	\$120	\$0	\$6	\$209	\$471
Public Transportation Account (PTA)								
PTA Resources	\$826	\$686	\$922	\$1,151	\$880	\$881	\$4,521	\$5,346
PTA Commitments:								
State Transit Assistance	(\$201)	(\$368)	(\$403)	(\$436)	(\$377)	(\$376)	(\$1,959)	(\$2,160)
State Operations	(\$92)	(\$95)	(\$98)	(\$101)	(\$104)	(\$108)	(\$507)	(\$599)
Intercity Rail Operations	(\$86)	(\$98)	(\$108)	(\$116)	(\$130)	(\$141)	(\$593)	(\$680)
Local Assistance	(\$47)	(\$66)	(\$69)	(\$47)	(\$3)	(\$3)	(\$188)	(\$235)
Capital Outlay	(\$32)	(\$23)	(\$11)	\$0	\$0	\$0	(\$34)	(\$66)
PTA Cash Available for new STIP	\$368	\$36	\$233	\$450	\$266	\$253	\$1,239	\$1,607
PTA PROGRAMMING CAPACITY	\$350	\$225	\$320	\$320	\$310	\$285	\$1,460	\$1,810
Transportation Investment Fund (TIF)								
TIF Distributions	\$1,313	\$1,382	\$1,454	\$1,531	\$1,612	\$1,694	\$7,673	\$8,986
TCRF	(\$678)	(\$678)	(\$602)	\$0	\$0	\$0	(\$1,280)	(\$1,958)
Local Streets & Roads	(\$254)	\$0	\$0	(\$612)	(\$645)	(\$678)	(\$1,935)	(\$2,189)
PTA	(\$127)	(\$141)	(\$170)	(\$306)	(\$322)	(\$339)	(\$1,279)	(\$1,406)
TIF Cash Available for new STIP	\$254	\$563	\$682	\$612	\$645	\$678	\$3,180	\$3,434
TIF PROGRAMMING CAPACITY	\$600	\$800	\$685	\$685	\$680	\$680	\$3,530	\$4,130
Transportation Deferred Investment Fund (TDIF)								
TDIF Distributions	\$123	\$0	\$1,243	\$746	\$0	\$0	\$1,989	\$2,111
TCRF	\$0	\$0	(\$678)	(\$389)	\$0	\$0	(\$1,067)	(\$1,067)
Local Streets & Roads	(\$123)	\$0	(\$226)	(\$69)	\$0	\$0	(\$295)	(\$417)
PTA	\$0	\$0	(\$113)	(\$96)	\$0	\$0	(\$209)	(\$209)
TDIF Cash Available for new STIP	\$0	\$0	\$226	\$191	\$0	\$0	\$417	\$417
TDIF PROGRAMMING CAPACITY	\$0	\$0	\$226	\$191	\$0	\$0	\$417	\$417
TOTAL PROGRAMMING CAPACITY FOR NEW STIP	\$1,211	\$1,108	\$1,231	\$1,316	\$990	\$971	\$5,616	\$6,828

Reconciliation of 2006 STIP FE to County and Interregional Share Estimates

Because of the long development of the STIP FE estimates, the 2006 STIP FE program capacity is based on all Commission actions through June 30, 2005. The program capacity used in the County and Interregional Shares include all of the Commission's actions through the September 2005 meeting.

The table below lists the net changes to program capacity from the 2006 STIP FE to the capacity used in the County and Interregional Shares and identified in Resolution G-05-08 adopting the FE. This table also separates the program capacity by PTA and non-PTA capacity.

2006 STIP Fund Estimate Reconciliation to County and Interregional Shares (\$ millions)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total
2006 STIP FE: PTA Capacity	\$350	\$225	\$320	\$320	\$310	\$285	\$1,460
Capacity from 2005-06 ¹	\$0	\$279					\$279
AB 3090 Cash Reimbursements since June 2005 ²	\$0	(\$1)	(\$3)	\$4			(\$0)
Updated PTA STIP Capacity	\$350	\$503	\$317	\$324	\$310	\$285	\$1,739
2004 PTA STIP Program	\$71	\$64	\$172	\$149	\$0	\$0	\$384
PTA Capacity for County Shares	\$279	\$439	\$145	\$176	\$310	\$285	\$1,355
2006 STIP FE: Non-PTA Capacity							
SHA Capacity	\$261	\$83	\$0	\$120	\$0	\$6	\$209
TIF Capacity	\$600	\$800	\$685	\$685	\$680	\$680	\$3,530
TDIF Capacity	\$0	\$0	\$226	\$191	\$0	\$0	\$417
Total Non-PTA Capacity	\$861	\$883	\$911	\$996	\$680	\$686	\$4,156
Capacity from 2005-06 ¹	\$0	(\$279)					(\$279)
Net Vote Change since June 2005 ³	\$0	(\$54)					(\$54)
AB 3090 Cash Reimbursements since June 2005 ²	\$0	(\$4)	(\$15)	\$0	\$4	\$15	\$0
Updated Non-PTA STIP Capacity	\$861	\$545	\$896	\$996	\$684	\$701	\$3,823
2004 Non-PTA STIP Program (respread)	\$1,140	\$545	\$896	\$996	\$684	\$246	\$3,367
Non-PTA STIP Capacity for County Shares	(\$279)	\$0	\$0	\$0	\$0	\$455	\$455

Notes:

1. Estimated excess/(shortage) in programming capacity from 2005-06 that was transferred to 2006-07.
2. Conversion of previously programmed projects to AB 3090 cash reimbursement commitments.
3. The net change in capacity from votes taken by the Commission since June 2005.

County and Interregional Share Estimates

The tables on the following pages display State Transportation Improvement Program (STIP) county and interregional shares and targets for the 2006 STIP. Annual programming targets are provided separately for Transportation Enhancement (TE) and non-TE projects.

Table 1. Summary of Targets and Shares

New Programming (excluding TE). These are three measures of new capacity.

- Minimum. This is the unprogrammed share balance for the share period ending 2007-08. This is the first priority for programming any new capacity, and it represents the minimum amount that will be programmed in each county if capacity is available.
- Target. This target amount for each share was calculated as shown on Table 2. It adds a formula distribution of new capacity to the share balance carryover.
- Maximum. This amount was calculated as shown on Table 2. It adds a formula distribution of new capacity estimated through the end of the share period, 2011-12. This is the maximum amount that could be programmed from each share without approving an advance against future share periods.

New TE Target. This is a formula distribution of the statewide new Transportation Enhancement (TE) capacity.

Total Target. This is the sum of the non-TE and TE targets for new programming.

Table 2. Calculation of New Programming Targets and Shares

2004 STIP Share Carryover. This is the unprogrammed balance of STIP shares, including STIP amendments and votes through September 2005. A negative figure represents an advance against current share.

2006 STIP Programming Capacity and Targets.

- Non-TE Target.
 - Formula Distribution. A distribution of new capacity for the 2006 STIP, following the 75-25 split for regional/interregional and the statutory county share formula.

- Net Share. The sum of the 2004 STIP Share Carryover and the Formula Distribution of new capacity for the 2006 STIP. This amount is the new programming target for non-TE on Table 1.
- Net Advance. Where the sum of the 2004 STIP Share Carryover and the Formula Distribution of new capacity is less than zero, this is the remaining advance against future capacity.
- TE Target. This is the formula distribution of the statewide new TE capacity.
- Total Formula Distribution. This is the sum of the Non-TE formula distribution and the TE Formula Distribution. It does not include any carryover. This figure is the base for calculation of the limitations for planning, programming, and monitoring (PPM) on Table 7.

STIP Share through 2011-12 (Final Year of Share Period). This is a calculation of estimated shares available through the end of the four-year share period.

- Formula Distribution. This is the formula distribution based on estimated statewide capacity through the end of the share period. The calculation includes TE.
- Net Share. The sum of the 2004 STIP Share Carryover and the formula distribution through the end of the share period. This is the maximum cited on Table 1. Although there is not sufficient statewide capacity to program all these amounts in the 2006 STIP, each region may propose to program up to this amount.
- Net Advance. Where the sum of the 2004 STIP Share Carryover and the formula distribution through the end of the share period is less than zero, this is the remaining advance against future capacity.

Table 3. Targets for Reprogramming Projects by Fiscal Year

Reprogram Total. The amount from each share that is subject to reprogramming in the 2006 STIP. It does not include (1) amounts programmed in 2005-06 or prior years, (2) debt service for approved GARVEE bonds, or (3) AB 3090 cash reimbursements.

2004 STIP Programming. This is the current programming by fiscal year for these projects.

Reprogramming Targets by Fiscal Year. This is the target amount for each fiscal year for the reprogramming of these projects. The yearly targets were

calculated in 3 parts: first, the unprogrammed share balance for the period ending 2007-08 (the minimum from Table 1), then the unprogrammed share balance for the 2004 STIP period (the 2004 STIP carryover from Table 2), and then the remainder.

Table 4. Carryover Programming of PTA-Eligible Projects by Fiscal Year

This is the current programming by fiscal year for Public Transportation Account (PTA)-eligible projects. It does not include amounts programmed in 2005-06 or prior years or AB 3090 cash reimbursements.

PTA capacity is sufficient so that there is no reprogramming target for these projects. Figures at the bottom of the table indicate net statewide new PTA capacity by fiscal year.

Table 5. Targets for Reprogramming of Non-Transit Projects by Fiscal Year

Reprogram Total. The amount of non-transit projects from each share that is subject to reprogramming in the 2006 STIP. It does not include (1) amounts programmed in 2005-06 or prior years, (2) debt service for approved GARVEE bonds, or (3) AB 3090 cash reimbursements.

2004 STIP Programming. This is the current programming by fiscal year for these projects.

Reprogramming Targets by Fiscal Year. This is the target amount for each fiscal year for the reprogramming of these projects. These targets were calculated by deducting the carryover programming of PTA-eligible projects (Table 4) from the overall reprogramming targets (Table 3).

Table 6. Transportation Enhancement (TE) Targets

2004 STIP Carryover TE. This is a listing of the amounts currently programmed for TE projects in 2006-07 and later years. These amounts are subject to reprogramming.

New Target. This is the formula distribution of the statewide new TE capacity.

2006 STIP TE Targets. This is the TE target distribution by year for each share, including both the 2004 STIP carryover and the new capacity. Carryover amounts are distributed over the first four years of the new STIP, with current 2006-07 programming distributed first, then current 2007-08 programming,

then current 2008-09 programming. New capacity is distributed over the fourth and fifth years according to the standard STIP share formulas.

Table 7. Planning, Programming, and Monitoring (PPM) Limitations

Base. Statutes permit PPM to be programmed up to a given percentage of each region's county share. This is the base against which that percentage is applied.

- FY 2004-05 through 2007-08. This is the base amount identified in the 2004 STIP fund estimate. It is not changed.
- 2004 STIP, 2008-09. This base amount, representing the first year of the four-year share period, was identified in the 2004 STIP fund estimate.
- 2006 STIP Addition. This is the new capacity identified for the 2006 STIP, as calculated on Table 2.
- FY 2008-09 through 2010-11. This is the sum of the prior two columns and represents the base for the three years from 2008-09 through 2010-11.

PPM Limitation.

- PPM Percentage. This is the percentage specified in statute, 1 percent for regions receiving federal planning funds and 5 percent for others.
- FY 2004-05 through 2007-08. This is the PPM limitation for these years identified in the 2004 STIP FE. It is not changed.
- FY 2008-09 through 2010-11. This is the PPM limitation for the three-year period from 2008-09 through 2010-11, the last three years of the 2006 STIP.

2006 STIP Fund Estimate
County and Interregional Shares
 Table 1. Summary of Targets and Shares
 (\$ 1,000's)

County	New Non-TE Programming			New TE Target	Total Target
	Minimum Unprog'd Share to 2007-08	Target Estimated Share through 2010-11	Maximum Estimated Share through 2011-12		
Alameda	0	25,930	48,778	3,149	29,079
Alpine - Amador - Calaveras	0	10,897	14,765	533	11,430
Butte	0	13,332	17,701	602	13,934
Colusa	797	5,365	6,517	159	5,524
Contra Costa	0	47,883	62,692	2,041	49,924
Del Norte	0	3,162	4,264	152	3,314
El Dorado LTC	0	0	0	385	385
Fresno	0	0	0	2,176	2,176
Glenn	0	3,041	4,270	169	3,210
Humboldt	7,081	26,585	31,007	610	27,195
Imperial	13,898	43,201	50,588	1,018	44,219
Inyo	0	15,171	21,168	827	15,998
Kern	0	40,098	60,762	2,848	42,946
Kings	0	9,473	12,572	427	9,900
Lake	9,699	17,207	19,100	261	17,468
Lassen	0	11,139	13,951	387	11,526
Los Angeles	0	314,653	454,703	19,304	333,957
Madera	3,490	14,972	17,778	387	15,359
Marin	0	6,809	11,136	596	7,405
Mariposa	0	3,981	5,126	158	4,139
Mendocino	0	11,743	15,917	575	12,318
Merced	1,326	22,060	27,102	695	22,755
Modoc	2,792	6,679	8,172	206	6,885
Mono	0	11,341	15,781	612	11,953
Monterey	0	15,673	23,785	1,118	16,791
Napa	11,004	21,640	24,322	370	22,010
Nevada	0	0	0	323	323
Orange	114,466	283,729	325,958	5,821	289,550
Placer TPA	0	0	0	615	615
Plumas	2,520	9,628	11,320	233	9,861
Riverside	45,542	167,094	197,322	4,167	171,261
Sacramento	0	24,120	43,821	2,716	26,836
San Benito	0	5,546	7,016	203	5,749
San Bernardino	0	73,426	112,767	5,423	78,849
San Diego	0	3,740	49,786	6,347	10,087
San Francisco	0	10,320	21,996	1,609	11,929
San Joaquin	0	20,401	30,672	1,416	21,817
San Luis Obispo	0	30,301	38,557	1,138	31,439
San Mateo	0	24,441	36,464	1,657	26,098
Santa Barbara	2,160	39,574	49,007	1,300	40,874
Santa Clara	0	0	23,447	3,687	3,687
Santa Cruz	0	18,789	23,488	648	19,437
Shasta	0	10,554	15,329	658	11,212
Sierra	1,706	6,010	6,806	110	6,120
Siskiyou	0	12,253	15,569	457	12,710
Solano	0	14,951	21,963	967	15,918
Sonoma	0	0	2,936	1,180	1,180
Stanislaus	4,133	36,770	44,724	1,096	37,866
Sutter	0	2,609	4,407	248	2,857
Tahoe RPA	711	5,957	7,154	165	6,122
Tehama	0	7,791	10,188	330	8,121
Trinity	0	4,623	6,346	238	4,861
Tulare	0	36,483	46,192	1,338	37,821
Tuolumne	0	3,869	5,829	270	4,139
Ventura	0	0	0	1,907	1,907
Yolo	410	15,861	19,690	528	16,389
Yuba	0	3,571	4,948	190	3,761
Statewide Regional	221,735	1,574,446	2,155,659	86,750	1,661,196
Interregional	0	235,864	445,651	28,917	264,781
TOTAL	221,735	1,810,310	2,601,310	115,667	1,925,977
Statewide PTA Capacity		1,355,043			
Statewide Non-PTA Capacity		455,267			

2006 STIP Fund Estimate County and Interregional Shares

Table 2. Calculation of New Programming Targets and Shares
(\$ 1,000's)

County	2004 STIP Carryover	2006 STIP Programming Capacity and Targets				STIP Share Through 2011-12 (Final Year of Share Period)			
		Non-TE Target		Net Advance	TE Target	Total			
		Formula Distribution	Net Share				Formula Distribution	Net Share	Net Advance
Alameda	(25,750)	51,680	25,930	0	3,149	54,829	74,528	48,778	0
Alpine - Amador - Calaveras	2,149	8,748	10,897	0	533	9,281	12,616	14,765	0
Butte	3,449	9,883	13,332	0	602	10,485	14,252	17,701	0
Colusa	2,760	2,605	5,365	0	159	2,764	3,757	6,517	0
Contra Costa	14,386	33,497	47,883	0	2,041	35,538	48,306	62,692	0
Del Norte	670	2,492	3,162	0	152	2,644	3,594	4,264	0
El Dorado LTC	(11,210)	6,325	0	4,885	385	6,710	9,121	0	2,089
Fresno	(53,688)	35,711	0	17,977	2,176	37,887	51,499	0	2,189
Glenn	259	2,782	3,041	0	169	2,951	4,011	4,270	0
Humboldt	16,583	10,002	26,585	0	610	10,612	14,424	31,007	0
Imperial	26,491	16,710	43,201	0	1,018	17,728	24,097	50,588	0
Inyo	1,608	13,563	15,171	0	827	14,390	19,560	21,168	0
Kern	(6,644)	46,742	40,098	0	2,848	49,590	67,406	60,762	0
Kings	2,463	7,010	9,473	0	427	7,437	10,109	12,572	0
Lake	12,926	4,281	17,207	0	261	4,542	6,174	19,100	0
Lassen	4,780	6,359	11,139	0	387	6,746	9,171	13,951	0
Los Angeles	(2,131)	316,784	314,653	0	19,304	336,088	456,834	454,703	0
Madera	8,626	6,346	14,972	0	387	6,733	9,152	17,778	0
Marin	(2,979)	9,788	6,809	0	596	10,384	14,115	11,136	0
Mariposa	1,391	2,590	3,981	0	158	2,748	3,735	5,126	0
Mendocino	2,302	9,441	11,743	0	575	10,016	13,615	15,917	0
Merced	10,655	11,405	22,060	0	695	12,100	16,447	27,102	0
Modoc	3,302	3,377	6,679	0	206	3,583	4,870	8,172	0
Mono	1,298	10,043	11,341	0	612	10,655	14,483	15,781	0
Monterey	(2,674)	18,347	15,673	0	1,118	19,465	26,459	23,785	0
Napa	15,575	6,065	21,640	0	370	6,435	8,747	24,322	0
Nevada	(9,071)	5,296	0	3,775	323	5,619	7,637	0	1,434
Orange	188,211	95,518	283,729	0	5,821	101,339	137,747	325,958	0
Placer TPA	(79,863)	10,089	0	69,774	615	10,704	14,549	0	65,314
Plumas	5,800	3,828	9,628	0	233	4,061	5,520	11,320	0
Riverside	98,719	68,375	167,094	0	4,167	72,542	98,603	197,322	0
Sacramento	(20,443)	44,563	24,120	0	2,716	47,279	64,264	43,821	0
San Benito	2,220	3,326	5,546	0	203	3,529	4,796	7,016	0
San Bernardino	(15,560)	88,986	73,426	0	5,423	94,409	128,327	112,767	0
San Diego	(100,411)	104,151	3,740	0	6,347	110,498	150,197	49,786	0
San Francisco	(16,088)	26,408	10,320	0	1,609	28,017	38,084	21,996	0
San Joaquin	(2,830)	23,231	20,401	0	1,416	24,647	33,502	30,672	0
San Luis Obispo	11,627	18,674	30,301	0	1,138	19,812	26,930	38,557	0
San Mateo	(2,755)	27,196	24,441	0	1,657	28,853	39,219	36,464	0
Santa Barbara	18,239	21,335	39,574	0	1,300	22,635	30,768	49,007	0
Santa Clara	(63,810)	60,507	0	3,303	3,687	64,194	87,257	23,447	0
Santa Cruz	8,159	10,630	18,789	0	648	11,278	15,329	23,488	0
Shasta	(248)	10,802	10,554	0	658	11,460	15,577	15,329	0
Sierra	4,208	1,802	6,010	0	110	1,912	2,598	6,806	0
Siskiyou	4,751	7,502	12,253	0	457	7,959	10,818	15,569	0
Solano	(910)	15,861	14,951	0	967	16,828	22,873	21,963	0
Sonoma	(24,984)	19,361	0	5,623	1,180	20,541	27,920	2,936	0
Stanislaus	18,779	17,991	36,770	0	1,096	19,087	25,945	44,724	0
Sutter	(1,458)	4,067	2,609	0	248	4,315	5,865	4,407	0
Tahoe RPA	3,251	2,706	5,957	0	165	2,871	3,903	7,154	0
Tehama	2,369	5,422	7,791	0	330	5,752	7,819	10,188	0
Trinity	724	3,899	4,623	0	238	4,137	5,622	6,346	0
Tulare	14,522	21,961	36,483	0	1,338	23,299	31,670	46,192	0
Tuolumne	(562)	4,431	3,869	0	270	4,701	6,391	5,829	0
Ventura	(49,409)	31,300	0	18,109	1,907	33,207	45,137	0	4,272
Yolo	7,198	8,663	15,861	0	528	9,191	12,492	19,690	0
Yuba	457	3,114	3,571	0	190	3,304	4,491	4,948	0
Statewide Regional	27,429	1,423,571	1,574,446	123,446	86,750	1,510,321	2,052,932	2,155,659	75,298
Interregional	(238,660)	474,524	235,864	0	28,917	503,441	684,311	445,651	0
TOTAL	(211,231)	1,898,095	1,810,310	123,446	115,667	2,013,762	2,737,243	2,601,310	75,298

Statewide PTA Capacity	1,355,043
Statewide Non-PTA Capacity	455,267

2006 STIP Fund Estimate County and Interregional Shares

Table 3. Targets for Reprogramming Projects by Fiscal Year
(\$ 1,000's)

County	Reprogram Total	2004 STIP Programming			Reprogramming Targets by Fiscal Year				
		2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2009-10	2010-11
Alameda	125,336	34,889	35,845	54,602	18,798	32,963	39,801	24,818	8,956
Alpine - Amador - Calaveras	12,185	4,377	4,873	2,935	2,410	4,227	4,639	909	0
Butte	15,270	6,596	7,100	1,574	3,109	5,451	5,629	1,082	0
Colusa	3,002	676	1,857	469	935	1,639	428	0	0
Contra Costa	54,818	22,107	17,190	15,521	12,038	21,108	18,366	3,306	0
Del Norte	1,141	225	59	857	0	0	908	233	0
El Dorado LTC	20,041	1,887	17,700	454	1,266	2,220	4,371	8,286	3,899
Fresno	77,725	1,660	115	75,950	0	0	17,366	40,920	19,439
Glenn	4,320	1,399	1,561	1,360	735	1,290	1,894	401	0
Humboldt	18,190	8,640	7,661	1,889	5,664	9,932	2,594	0	0
Imperial	5,087	5,087	0	0	1,584	2,778	725	0	0
Inyo	50,544	4,779	36,132	9,633	12,882	22,588	13,197	1,877	0
Kern	138,166	49,900	59,200	29,066	29,985	52,579	41,751	11,541	2,311
Kings	13,346	7,186	4,490	1,670	3,278	5,747	3,744	577	0
Lake	3,283	705	0	2,578	1,022	1,793	468	0	0
Lassen	10,956	3,027	3,370	4,559	1,671	2,929	5,212	1,144	0
Los Angeles	501,312	192,192	177,736	131,384	79,595	139,569	230,109	51,265	773
Madera	3,840	115	3,677	48	1,196	2,097	548	0	0
Marin	21,653	19,373	2,243	37	3,440	6,032	7,642	3,503	1,036
Mariposa	3,167	1,205	837	1,125	811	1,423	818	115	0
Mendocino	28,897	2,542	5,205	21,150	7,463	13,087	7,338	1,008	0
Merced	10,026	26	6,697	3,303	3,122	5,474	1,430	0	0
Modoc	2,035	54	1,981	0	634	1,111	290	0	0
Mono	25,352	8,071	13,144	4,137	5,925	10,390	7,743	1,294	0
Monterey	91,784	12,138	127	79,519	22,325	39,147	24,074	5,307	930
Napa	5,030	796	4,211	23	1,566	2,746	717	0	0
Nevada	20,275	85	9,485	10,705	2,246	3,938	4,203	6,733	3,155
Orange	100,340	51,596	37,143	11,601	31,244	54,787	14,309	0	0
Placer TPA	82,814	150	7,507	75,157	0	0	2,347	52,691	27,776
Plumas	3,765	1,723	2,042	0	1,172	2,056	537	0	0
Riverside	82,736	35,792	41,765	5,179	25,763	45,175	11,798	0	0
Sacramento	33,673	7,343	4,450	21,880	0	0	7,135	17,947	8,591
San Benito	850	0	850	0	31	54	612	154	0
San Bernardino	262,367	76,003	119,013	67,351	55,477	97,278	80,007	24,193	5,412
San Diego	150,785	51,965	7,467	91,353	0	0	40,067	75,796	34,922
San Francisco	34,849	113	1,164	33,572	0	0	14,922	14,331	5,595
San Joaquin	46,991	3,020	25,750	18,221	7,988	14,007	18,379	5,633	984
San Luis Obispo	42,660	20,736	17,580	4,344	11,808	20,705	9,177	970	0
San Mateo	60,378	18,772	19,192	22,414	11,478	20,127	21,770	6,045	958
Santa Barbara	82,536	44,394	38,142	0	25,701	45,066	11,770	0	0
Santa Clara	33,040	393	10,579	22,068	0	0	0	21,549	11,491
Santa Cruz	19,818	2,128	7,390	10,300	3,770	6,610	7,860	1,578	0
Shasta	21,862	1,658	20,104	100	4,098	7,186	8,600	1,891	86
Sierra	239	79	21	139	74	130	34	0	0
Siskiyou	11,654	5,734	5,920	0	3,332	5,843	2,283	195	0
Solano	48,012	29,284	5,568	13,160	10,715	18,789	15,001	3,190	316
Sonoma	61,624	12,041	4,750	44,833	6,789	11,905	14,910	19,330	8,689
Stanislaus	45,521	26,951	18,434	136	14,175	24,855	6,491	0	0
Sutter	13,151	1,013	12,107	31	2,687	4,711	3,668	1,578	507
Tahoe RPA	2,203	2,203	0	0	686	1,203	314	0	0
Tehama	10,012	2,697	5,479	1,836	2,576	4,517	2,563	356	0
Trinity	16,021	8,394	5,996	1,631	3,909	6,854	4,549	710	0
Tulare	45,760	21,390	2,494	21,876	13,205	23,154	8,715	686	0
Tuolumne	2,762	71	72	2,619	0	0	1,750	817	195
Ventura	73,222	48,212	2,886	22,124	0	0	18,941	37,097	17,184
Yolo	7,998	7,903	30	65	2,490	4,367	1,141	0	0
Yuba	10,029	10	9,587	432	2,508	4,398	2,719	404	0
Statewide Regional	2,674,453	871,505	855,978	946,970	465,377	816,035	778,376	451,460	163,206
Interregional	1,076,892	326,251	380,433	370,208	143,360	251,381	366,185	232,962	83,004
TOTAL	3,751,345	1,197,756	1,236,411	1,317,178	608,737	1,067,416	1,144,561	684,422	246,209

Note: Excludes TE Project Programming. Includes all transit and non-transit programming.

2006 STIP Fund Estimate County and Interregional Shares

Table 4. Carryover Programming of PTA-Eligible Projects by Fiscal Year
(\$ 1,000's)

County	Total	Totals by Year				
		2006-07	2007-08	2008-09	2009-10	2010-11
Alameda	55,178	2,700	16,457	36,021	0	0
Alpine - Amador - Calaveras	0	0	0	0	0	0
Butte	0	0	0	0	0	0
Colusa	0	0	0	0	0	0
Contra Costa	19,300	0	12,250	7,050	0	0
Del Norte	0	0	0	0	0	0
El Dorado LTC	0	0	0	0	0	0
Fresno	0	0	0	0	0	0
Glenn	0	0	0	0	0	0
Humboldt	0	0	0	0	0	0
Imperial	0	0	0	0	0	0
Inyo	554	554	0	0	0	0
Kern	0	0	0	0	0	0
Kings	0	0	0	0	0	0
Lake	0	0	0	0	0	0
Lassen	0	0	0	0	0	0
Los Angeles	35,699	29,665	6,034	0	0	0
Madera	0	0	0	0	0	0
Marin	0	0	0	0	0	0
Mariposa	0	0	0	0	0	0
Mendocino	0	0	0	0	0	0
Merced	0	0	0	0	0	0
Modoc	0	0	0	0	0	0
Mono	0	0	0	0	0	0
Monterey	4,500	4,500	0	0	0	0
Napa	0	0	0	0	0	0
Nevada	0	0	0	0	0	0
Orange	30,825	0	30,825	0	0	0
Placer TPA	3,000	0	0	3,000	0	0
Plumas	0	0	0	0	0	0
Riverside	0	0	0	0	0	0
Sacramento	15,957	0	4,307	11,650	0	0
San Benito	0	0	0	0	0	0
San Bernardino	0	0	0	0	0	0
San Diego	5,254	0	5,254	0	0	0
San Francisco	19,368	0	1,000	18,368	0	0
San Joaquin	1,000	0	1,000	0	0	0
San Luis Obispo	0	0	0	0	0	0
San Mateo	9,103	9,103	0	0	0	0
Santa Barbara	322	322	0	0	0	0
Santa Clara	0	0	0	0	0	0
Santa Cruz	10,000	0	0	10,000	0	0
Shasta	0	0	0	0	0	0
Sierra	0	0	0	0	0	0
Siskiyou	0	0	0	0	0	0
Solano	10,325	10,325	0	0	0	0
Sonoma	0	0	0	0	0	0
Stanislaus	0	0	0	0	0	0
Sutter	0	0	0	0	0	0
Tahoe RPA	0	0	0	0	0	0
Tehama	0	0	0	0	0	0
Trinity	0	0	0	0	0	0
Tulare	0	0	0	0	0	0
Tuolumne	0	0	0	0	0	0
Ventura	1,500	1,500	0	0	0	0
Yolo	2,250	2,250	0	0	0	0
Yuba	0	0	0	0	0	0
Statewide Regional	224,135	60,919	77,127	86,089	0	0
Interregional	159,822	2,585	94,765	62,472	0	0
TOTAL	383,957	63,504	171,892	148,561	0	0

Statewide PTA Capacity	1,739,000	504,000	320,000	320,000	310,000	285,000
Adjustments since June 2005	0	(1,273)	(3,182)	4,454	0	0
Less Current Program	(383,957)	(63,504)	(171,892)	(148,561)	0	0
Net New Capacity	1,355,043	439,223	144,927	175,893	310,000	285,000

Note: Excludes AB 3090 cash reimbursements eligible for repayment by PTA.

2006 STIP Fund Estimate County and Interregional Shares

Table 5. Targets for Reprogramming of Non-Transit Projects by Fiscal Year
(\$ 1,000's)

County	Reprogram Total	2004 STIP Programming			Target Respread by Fiscal Year				
		2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2009-10	2010-11
Alameda	70,158	32,189	19,388	18,581	16,098	16,506	3,780	24,818	8,956
Alpine - Amador - Calaveras	12,185	4,377	4,873	2,935	2,410	4,227	4,639	909	0
Butte	15,270	6,596	7,100	1,574	3,109	5,451	5,629	1,082	0
Colusa	3,002	676	1,857	469	935	1,639	428	0	0
Contra Costa	35,518	22,107	4,940	8,471	12,038	8,858	11,316	3,306	0
Del Norte	1,141	225	59	857	0	0	908	233	0
El Dorado LTC	20,041	1,887	17,700	454	1,266	2,220	4,371	8,286	3,899
Fresno	77,725	1,660	115	75,950	0	0	17,366	40,920	19,439
Glenn	4,320	1,399	1,561	1,360	735	1,290	1,894	401	0
Humboldt	18,190	8,640	7,661	1,889	5,664	9,932	2,594	0	0
Imperial	5,087	5,087	0	0	1,584	2,778	725	0	0
Inyo	49,990	4,225	36,132	9,633	12,328	22,588	13,197	1,877	0
Kern	138,166	49,900	59,200	29,066	29,985	52,579	41,751	11,541	2,311
Kings	13,346	7,186	4,490	1,670	3,278	5,747	3,744	577	0
Lake	3,283	705	0	2,578	1,022	1,793	468	0	0
Lassen	10,956	3,027	3,370	4,559	1,671	2,929	5,212	1,144	0
Los Angeles	465,613	162,527	171,702	131,384	49,930	133,535	230,109	51,265	773
Madera	3,840	115	3,677	48	1,196	2,097	548	0	0
Marin	21,653	19,373	2,243	37	3,440	6,032	7,642	3,503	1,036
Mariposa	3,167	1,205	837	1,125	811	1,423	818	115	0
Mendocino	28,897	2,542	5,205	21,150	7,463	13,087	7,338	1,008	0
Merced	10,026	26	6,697	3,303	3,122	5,474	1,430	0	0
Modoc	2,035	54	1,981	0	634	1,111	290	0	0
Mono	25,352	8,071	13,144	4,137	5,925	10,390	7,743	1,294	0
Monterey	87,284	7,638	127	79,519	17,825	39,147	24,074	5,307	930
Napa	5,030	796	4,211	23	1,566	2,746	717	0	0
Nevada	20,275	85	9,485	10,705	2,246	3,938	4,203	6,733	3,155
Orange	69,515	51,596	6,318	11,601	31,244	23,962	14,309	0	0
Placer TPA	79,814	150	7,507	72,157	0	0	0	52,038	27,776
Plumas	3,765	1,723	2,042	0	1,172	2,056	537	0	0
Riverside	82,736	35,792	41,765	5,179	25,763	45,175	11,798	0	0
Sacramento	17,716	7,343	143	10,230	0	0	0	9,125	8,591
San Benito	850	0	850	0	31	54	612	154	0
San Bernardino	262,367	76,003	119,013	67,351	55,477	97,278	80,007	24,193	5,412
San Diego	145,531	51,965	2,213	91,353	0	0	34,813	75,796	34,922
San Francisco	15,481	113	164	15,204	0	0	0	9,886	5,595
San Joaquin	45,991	3,020	24,750	18,221	7,988	13,007	18,379	5,633	984
San Luis Obispo	42,660	20,736	17,580	4,344	11,808	20,705	9,177	970	0
San Mateo	51,275	9,669	19,192	22,414	2,375	20,127	21,770	6,045	958
Santa Barbara	82,214	44,072	38,142	0	25,379	45,066	11,770	0	0
Santa Clara	33,040	393	10,579	22,068	0	0	0	21,549	11,491
Santa Cruz	9,818	2,128	7,390	300	3,770	4,470	0	1,578	0
Shasta	21,862	1,658	20,104	100	4,098	7,186	8,600	1,891	86
Sierra	239	79	21	139	74	130	34	0	0
Siskiyou	11,654	5,734	5,920	0	3,332	5,843	2,283	195	0
Solano	37,687	18,959	5,568	13,160	0	19,180	15,001	3,190	316
Sonoma	61,624	12,041	4,750	44,833	6,789	11,905	14,910	19,330	8,689
Stanislaus	45,521	26,951	18,434	136	14,175	24,855	6,491	0	0
Sutter	13,151	1,013	12,107	31	2,687	4,711	3,668	1,578	507
Tahoe RPA	2,203	2,203	0	0	686	1,203	314	0	0
Tehama	10,012	2,697	5,479	1,836	2,576	4,517	2,563	356	0
Trinity	16,021	8,394	5,996	1,631	3,909	6,854	4,549	710	0
Tulare	45,760	21,390	2,494	21,876	13,205	23,154	8,715	686	0
Tuolumne	2,762	71	72	2,619	0	0	1,750	817	195
Ventura	71,722	46,712	2,886	22,124	0	0	17,441	37,097	17,184
Yolo	5,748	5,653	30	65	0	4,607	1,141	0	0
Yuba	10,029	10	9,587	432	2,508	4,398	2,719	404	0
Statewide Regional	2,450,318	810,586	778,851	860,881	405,327	747,960	696,286	437,539	163,206
Interregional	917,070	323,666	285,668	307,736	140,775	156,616	303,713	232,962	83,004
TOTAL	3,367,388	1,134,252	1,064,519	1,168,617	546,102	904,576	999,999	670,501	246,209

Note: Excludes TE Project Programming and PTA-eligible project programming.

2006 STIP Fund Estimate County and Interregional Shares

Table 6. Transportation Enhancement (TE) Targets
(\$ 1,000's)

County	2004 STIP Carryover TE				New Target	2006 STIP TE Targets					
	Total	2006-07	2007-08	2008-09		Total	2006-07	2007-08	2008-09	2009-10	2010-11
Alameda	5,765	1,507	2,298	1,960	3,149	8,914	1,130	1,962	2,040	1,859	1,923
Alpine - Amador - Calaveras	1,874	974	568	332	533	2,407	730	523	415	413	326
Butte	517	0	142	375	602	1,119	0	115	345	291	368
Colusa	192	76	116	0	159	351	57	99	15	83	97
Contra Costa	4,285	1,543	1,472	1,270	2,041	6,326	1,157	1,293	1,365	1,265	1,246
Del Norte	453	453	0	0	152	605	340	28	35	109	93
El Dorado LTC	706	185	281	240	385	1,091	139	240	249	228	235
Fresno	3,983	1,042	1,587	1,354	2,176	6,159	781	1,355	1,410	1,284	1,329
Glenn	286	0	0	286	169	455	0	0	255	97	103
Humboldt	1,116	292	445	379	610	1,726	219	380	394	361	372
Imperial	0	0	0	0	1,018	1,018	0	0	0	396	622
Inyo	1,995	461	515	1,019	827	2,822	346	447	983	541	505
Kern	5,213	1,363	2,078	1,772	2,848	8,061	1,022	1,774	1,845	1,681	1,739
Kings	783	0	517	266	427	1,210	0	420	277	252	261
Lake	776	283	299	194	261	1,037	212	261	218	187	159
Lassen	709	186	282	241	387	1,096	139	241	251	228	237
Los Angeles	37,163	17,343	10,034	9,786	19,304	56,467	13,003	9,244	10,839	11,594	11,787
Madera	186	186	0	0	387	573	139	12	14	172	236
Marin	1,836	1,030	435	371	596	2,432	772	418	444	434	364
Mariposa	0	0	0	0	158	158	0	0	0	62	96
Mendocino	2,182	914	1,245	23	575	2,757	685	1,069	189	463	351
Merced	0	0	0	0	695	695	0	0	0	271	424
Modoc	0	0	0	0	206	206	0	0	0	80	126
Mono	2,152	0	1,076	1,076	612	2,764	0	874	1,042	474	374
Monterey	3,627	3,472	0	155	1,118	4,745	2,603	218	408	833	683
Napa	1,299	800	269	230	370	1,669	600	269	287	287	226
Nevada	1,135	590	344	201	323	1,458	442	317	251	251	197
Orange	10,655	2,785	4,248	3,622	5,821	16,476	2,088	3,627	3,771	3,436	3,554
Placer TPA	0	0	0	0	615	615	0	0	0	240	375
Plumas	534	444	0	90	233	767	333	28	114	150	142
Riverside	14,648	7,610	4,445	2,593	4,167	18,815	5,705	4,091	3,245	3,230	2,544
Sacramento	10,941	2,000	0	8,941	2,716	13,657	1,499	126	8,116	2,258	1,658
San Benito	370	121	123	126	203	573	91	107	131	120	124
San Bernardino	9,925	2,594	3,957	3,374	5,423	15,348	1,945	3,378	3,513	3,201	3,311
San Diego	16,617	8,037	4,631	3,949	6,347	22,964	6,026	4,268	4,500	4,295	3,875
San Francisco	4,020	1,046	1,973	1,001	1,609	5,629	784	1,669	1,126	1,067	983
San Joaquin	2,032	230	921	881	1,416	3,448	172	763	874	775	864
San Luis Obispo	0	0	0	0	1,138	1,138	0	0	0	443	695
San Mateo	5,416	793	3,592	1,031	1,657	7,073	595	2,968	1,259	1,239	1,012
Santa Barbara	3,230	2,162	259	809	1,300	4,530	1,621	346	909	860	794
Santa Clara	10,962	5,977	2,691	2,294	3,687	14,649	4,481	2,563	2,715	2,639	2,251
Santa Cruz	1,906	1,681	225	0	648	2,554	1,260	289	148	461	396
Shasta	1,730	1,730	0	0	658	2,388	1,297	109	134	446	402
Sierra	95	95	0	0	110	205	71	6	7	54	67
Siskiyou	1,116	745	87	284	457	1,573	559	117	317	301	279
Solano	1,769	462	706	601	967	2,736	346	603	626	571	590
Sonoma	4,148	1,250	1,500	1,398	1,180	5,328	937	1,298	1,458	915	720
Stanislaus	2,006	656	668	682	1,096	3,102	492	584	710	647	669
Sutter	0	0	0	0	248	248	0	0	0	97	151
Tahoe RPA	580	302	175	103	165	745	226	162	128	128	101
Tehama	30	11	0	19	330	360	8	1	18	131	202
Trinity	835	434	253	148	238	1,073	325	233	185	185	145
Tulare	3,458	1,126	2,218	114	1,338	4,796	844	1,873	362	900	817
Tuolumne	652	255	229	168	270	922	191	202	187	177	165
Ventura	6,592	913	4,690	989	1,907	8,499	685	3,868	1,316	1,465	1,165
Yolo	0	0	0	0	528	528	0	0	0	206	322
Yuba	0	0	0	0	190	190	0	0	0	74	116
Statewide Regional	192,500	76,159	61,594	54,747	86,750	279,250	57,099	54,843	59,439	54,901	52,968
Interregional	40,669	13,215	17,577	9,877	28,917	69,586	9,908	15,114	11,185	15,723	17,656
TOTAL	233,169	89,374	79,171	64,624	115,667	348,836	67,007	69,957	70,624	70,624	70,624

2006 STIP Fund Estimate County and Interregional Shares

Table 7. Planning, Programming, and Monitoring (PPM) Limitations
(\$ 1,000's)

County	Base				PPM Limitation		
	FY 2004/05 - FY 2007/08	2004 STIP 2008/09	2006 STIP Addition	FY 2008/09 - FY 2010/11	PPM Pct	FY 2004/05 - FY 2007/08	FY 2008/09 - FY 2010/11
Alameda	66,287	38,947	54,829	93,776	1.0%	663	938
Alpine/Amador/Calaveras	11,221	6,593	9,281	15,874	5.0%	561	794
Butte	12,677	7,448	10,485	17,933	1.0%	127	179
Colusa	3,342	1,963	2,764	4,727	5.0%	167	236
Contra Costa	42,965	25,244	35,538	60,782	1.0%	430	608
Del Norte	3,197	1,878	2,644	4,522	5.0%	160	226
El Dorado LTC	8,113	4,766	6,710	11,476	5.0%	406	574
Fresno	45,805	26,913	37,887	64,800	1.0%	458	648
Glenn	3,568	2,096	2,951	5,047	5.0%	178	252
Humboldt	12,829	7,538	10,612	18,150	5.0%	641	908
Imperial	21,434	12,593	17,728	30,321	5.0%	1,072	1,516
Inyo	17,397	10,222	14,390	24,612	5.0%	870	1,231
Kern	59,954	35,226	49,590	84,816	1.0%	600	848
Kings	8,992	5,283	7,437	12,720	5.0%	450	636
Lake	5,491	3,227	4,542	7,769	5.0%	275	388
Lassen	8,156	4,792	6,746	11,538	5.0%	408	577
Los Angeles	406,322	238,736	336,088	574,824	5.0%	20,316	28,741
Madera	8,140	4,783	6,733	11,516	5.0%	407	576
Marin	12,555	7,376	10,384	17,760	1.0%	126	178
Mariposa	3,322	1,952	2,748	4,700	5.0%	166	235
Mendocino	12,109	7,115	10,016	17,131	5.0%	605	857
Merced	14,628	8,595	12,100	20,695	1.0%	146	207
Modoc	4,331	2,545	3,583	6,128	5.0%	217	306
Mono	12,882	7,569	10,655	18,224	5.0%	644	911
Monterey	23,533	13,827	19,465	33,292	5.0%	1,177	1,665
Napa	7,780	4,571	6,435	11,006	1.0%	78	110
Nevada	6,793	3,991	5,619	9,610	5.0%	340	481
Orange	122,516	71,985	101,339	173,324	5.0%	6,126	8,666
Placer TPA	12,940	7,603	10,704	18,307	5.0%	647	915
Plumas	4,910	2,885	4,061	6,946	5.0%	246	347
Riverside	87,701	51,529	72,542	124,071	5.0%	4,385	6,204
Sacramento	57,158	33,583	47,279	80,862	1.0%	572	809
San Benito	4,265	2,506	3,529	6,035	5.0%	213	302
San Bernardino	114,138	67,062	94,409	161,471	5.0%	5,707	8,074
San Diego	133,590	78,491	110,498	188,989	1.0%	1,336	1,890
San Francisco	33,873	19,902	28,017	47,919	1.0%	339	479
San Joaquin	29,797	17,508	24,647	42,155	1.0%	298	422
San Luis Obispo	23,952	14,073	19,812	33,885	1.0%	240	339
San Mateo	34,883	20,496	28,853	49,349	1.0%	349	493
Santa Barbara	27,365	16,079	22,635	38,714	1.0%	274	387
Santa Clara	77,609	45,599	64,194	109,793	1.0%	776	1,098
Santa Cruz	13,634	8,011	11,278	19,289	5.0%	682	964
Shasta	13,855	8,140	11,460	19,600	1.0%	139	196
Sierra	2,311	1,358	1,912	3,270	5.0%	116	164
Siskiyou	9,622	5,653	7,959	13,612	5.0%	481	681
Solano	20,344	11,953	16,828	28,781	1.0%	203	288
Sonoma	24,833	14,591	20,541	35,132	1.0%	248	351
Stanislaus	23,076	13,558	19,087	32,645	1.0%	231	326
Sutter	5,217	3,065	4,315	7,380	1.0%	52	74
Tahoe RPA	3,471	2,040	2,871	4,911	5.0%	174	246
Tehama	6,955	4,086	5,752	9,838	5.0%	348	492
Trinity	5,001	2,938	4,137	7,075	5.0%	250	354
Tulare	28,168	16,550	23,299	39,849	1.0%	282	398
Tuolumne	5,684	3,340	4,701	8,041	5.0%	284	402
Ventura	40,146	23,588	33,207	56,795	5.0%	2,007	2,840
Yolo	11,112	6,528	9,191	15,719	1.0%	111	157
Yuba	3,994	2,347	3,304	5,651	1.0%	40	57
Statewide	1,825,943	1,072,836	1,510,321	2,583,157		58,838	83,238

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APPENDIX A – PROGRAM AMOUNTS (\$ millions)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total	6-Year Total
SHOPP								
SHOPP	\$1,485	\$1,641	\$1,691	\$1,731	\$1,761	\$1,808	\$8,632	\$10,117
Minor Program (includes Right-of-Way)	\$108	\$112	\$115	\$118	\$122	\$126	\$592	\$700
Stormwater	\$125	\$76	\$82	\$84	\$87	\$89	\$417	\$542
Facilities - Office Buildings	\$34	\$1	\$2	\$12	\$35	\$43	\$93	\$127
SHOPP - Right-of-Way	\$50	\$60	\$55	\$57	\$57	\$57	\$286	\$336
Capital Outlay Support	\$494	\$543	\$560	\$573	\$584	\$599	\$2,859	\$3,353
Total SHOPP Program	\$2,296	\$2,433	\$2,504	\$2,575	\$2,646	\$2,722	\$12,879	\$15,175
STIP								
STIP Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SHA-eligible AB 3090 Cash Reimbursements	\$12	\$61	\$10	\$30	\$0	\$23	\$125	\$137
PTA-eligible AB 3090 Cash Reimbursements	\$44	\$63	\$66	\$44	\$0	\$0	\$173	\$217
Right-of-Way	\$120	\$120	\$120	\$50	\$25	\$10	\$325	\$445
GARVEE Debt Service	\$73	\$73	\$73	\$73	\$73	\$73	\$364	\$437
Transportation Enhancements	\$89	\$67	\$70	\$71	\$71	\$71	\$350	\$440
Capital Outlay Support	\$79	\$0	\$0	\$0	\$0	\$0	\$0	\$79
Total STIP Program	\$417	\$384	\$340	\$267	\$169	\$177	\$1,337	\$1,754
Total Program Commitments	\$2,713	\$2,817	\$2,844	\$2,843	\$2,815	\$2,899	\$14,217	\$16,930

Note: Numbers may not add due to rounding.

The table above identifies the state and federal program commitments used in the Fund Estimate (FE) for the State Highway Operation and Protection Program (SHOPP) and the State Transportation Improvement Program (STIP). These commitments were converted into multi-year cash flows based on historical spending patterns and displayed as cash expenditures in the FE.

The SHOPP program was constrained to the Tier 1(B) funding level of \$1.70 billion per year during the FE period, before escalation of construction costs. SHOPP capital outlay support was based on the level necessary to deliver the capital program.

The STIP program commitments include capital outlay and support for projects receiving allocations in 2004-05 and prior, pre-construction support programmed to begin in 2005-06, GARVEE debt service, AB 3090 cash reimbursements, federal Transportation Enhancement expenditures, and Right-of-Way capital expenditures on projects receiving environmental clearance by June 30, 2005.

APPENDIX B – STATE HIGHWAY ACCOUNT

Historically, the State Highway Account (SHA) has been the primary funding source for California's Highway Transportation program. The principle sources of funds to the SHA are the state excise taxes on motor vehicle fuels, truck weight fees, and Federal Highway Trust Funds. The SHA is the sole funding source for the State Highway Operation and Protection Program (SHOPP)—a capital improvement program for rehabilitation, safety, and operational improvements on state highways. The SHA also commits resources to capital improvement projects programmed in the State Transportation Improvement Program (STIP) to increase capacity and decrease congestion on state highways.

Resources Available for Programming

The table below lists the total and annual SHA program capacity available for the 2006 STIP. The "SHA Target Program Level" represents the level of funding the SHA can support while maintaining a prudent operating cash balance. The target program levels are reduced by the SHA program commitments to determine the amount of SHA capacity available for the new STIP.

The SHA Fund Estimate (FE) provides approximately \$14.3 billion in programming capacity which funds a SHOPP level of \$12.9 billion, \$1.2 billion in existing STIP obligations, plus an additional \$209 million in program capacity for STIP projects over the FE period. Further details of the resources and expenditures are presented in the FE for the SHA and Federal Trust Fund.

2006 SHA FE: Tier 2(A) Programming Capacity (\$ millions)								
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total	6-Year Total
SHA Target Program Level	\$2,930	\$2,837	\$2,778	\$2,919	\$2,814	\$2,904	\$14,253	\$17,182
Less: SHA Program Commitments	\$2,668	\$2,754	\$2,778	\$2,799	\$2,814	\$2,899	\$14,043	\$16,711
SHA Capacity Available for STIP	\$261	\$83	\$0	\$120	\$0	\$6	\$209	\$471

Note: Numbers may not add due to rounding.

Highlights

- The beginning cash balance includes an efficiency savings of \$53 million realized from 2004-05 as part of the Department and Agency goal to increase funds available for capital outlay. Future efficiency savings of \$50 million per year are included as positive cash flow commitments.
- Fuel excise tax and Weight Fee revenues are estimated to increase at an average annual rate of 2.0 percent and 2.5 percent respectively over the FE period.

- Federal resources are based on the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) and estimated to be approximately \$15.8 billion in obligation authority for the FE period, after setting aside non-STIP eligible earmarks of \$1.1 billion.
- SHOPP Program expenditures are based on a constrained SHOPP capital level of \$1.70 billion per year. The 2006 FE assumes a one-time cost escalation of 8.3 percent for construction capital expenditures in 2005-06, then a 3.0 percent escalation rate, based on the 10-year average of the California Highway Construction Cost Index (CHCCI), over the FE period. The result is a SHOPP capital program of \$10.0 billion over the FE period.
- STIP expenditures include capital and support for all projects receiving allocations in 2004-05 and prior, pre-construction support programmed to begin in 2005-06, GARVEE debt service, AB 3090 cash reimbursements, federal Transportation Enhancement expenditures, and Right-of-Way capital expenditures on projects receiving environmental clearance by June 30, 2005.
- The SHA FE includes pay raises over four years for the Professional Engineers in California Government (PECG), otherwise known as Bargaining Unit 9. The pay raise is approximately \$44 million per year for each year from 2005-06 through 2008-09.
- The SHA FE includes transfers to the Toll Bridge Seismic Retrofit Account (TBSRA) pursuant to Assembly Bill 144 (Chapter 71, Statutes of 2005).
- Under Tier 2(A) assumptions, the outstanding loan of \$465 million from the SHA to the Traffic Congestion Relief Fund (TCRF) is scheduled to be repaid by the General Fund in 2005-06 from bond proceeds secured by Tribal Gaming revenues.

2006 STIP FUND ESTIMATE
STATE HIGHWAY AND FEDERAL TRUST FUND ACCOUNTS
TIER 2(A), (\$ millions)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total	6-Year Total
RESOURCES								
Beginning Balance	\$787							\$787
2004-05 Efficiency Savings	\$53							
Fuel Taxes	\$2,165	\$2,206	\$2,252	\$2,297	\$2,342	\$2,387	\$11,484	\$13,649
Motor Vehicle Registration (Weight Fees)	\$888	\$894	\$922	\$949	\$976	\$1,004	\$4,745	\$5,633
Misc. Revenues	\$74	\$85	\$87	\$85	\$82	\$80	\$420	\$494
Tribal Gaming Loan Repayment	\$465	\$0	\$0	\$0	\$0	\$0	\$0	\$465
Net Transfers - Others	(\$74)	(\$41)	(\$85)	(\$87)	(\$88)	(\$90)	(\$390)	(\$464)
Expenditures - Other Agencies	(\$101)	(\$87)	(\$92)	(\$98)	(\$100)	(\$102)	(\$479)	(\$580)
Subtotal - State Resources	\$3,416	\$3,058	\$3,084	\$3,147	\$3,212	\$3,279	\$15,780	\$19,196
Toll Bridge Seismic Retrofit Program	(\$342)	(\$8)	\$0	(\$1)	(\$99)	(\$153)	(\$261)	(\$603)
Total State Resources	\$3,914	\$3,050	\$3,084	\$3,146	\$3,113	\$3,126	\$15,519	\$18,592
Federal Resources	\$3,043	\$3,247	\$3,382	\$3,415	\$3,415	\$3,415	\$16,874	\$19,916
PTA Federal Expenditures and FTA Transfer	(\$84)	(\$86)	(\$89)	(\$92)	(\$94)	(\$97)	(\$459)	(\$542)
Section 164 Penalties	(\$49)	(\$53)	(\$55)	(\$56)	(\$56)	(\$56)	(\$275)	(\$324)
Border Infrastructure Program	(\$17)	(\$20)	(\$22)	(\$25)	(\$25)	(\$25)	(\$117)	(\$134)
Recreational Trails	(\$2)	(\$2)	(\$3)	(\$3)	(\$3)	(\$3)	(\$14)	(\$16)
Toll Bridge HBRR Expenditure	(\$100)	(\$100)	(\$100)	(\$42)	\$0	\$0	(\$242)	(\$342)
Net Federal Resources	\$2,790	\$2,986	\$3,112	\$3,198	\$3,237	\$3,234	\$15,768	\$18,558
TOTAL STATE & FEDERAL RESOURCES	\$6,704	\$6,036	\$6,196	\$6,344	\$6,350	\$6,360	\$31,286	\$37,151
COMMITMENTS								
MAINTENANCE	(\$989)	(\$1,047)	(\$1,079)	(\$1,113)	(\$1,147)	(\$1,183)	(\$5,568)	(\$6,557)
STATE OPERATIONS	(\$805)	(\$866)	(\$942)	(\$967)	(\$982)	(\$994)	(\$4,750)	(\$5,555)
Efficiency Savings	\$50	\$50	\$50	\$50	\$50	\$50	\$250	\$300
SHOPP								
SHOPP Construction Capital	(\$819)	(\$1,147)	(\$1,391)	(\$1,525)	(\$1,607)	(\$1,646)	(\$7,317)	(\$8,136)
SHOPP Minor	(\$70)	(\$93)	(\$100)	(\$106)	(\$109)	(\$112)	(\$521)	(\$591)
Stormwater	(\$65)	(\$86)	(\$79)	(\$84)	(\$85)	(\$88)	(\$421)	(\$486)
SHOPP Capital Outlay Office Projects	(\$34)	(\$1)	(\$2)	(\$12)	(\$35)	(\$43)	(\$93)	(\$127)
SHOPP Right-of-Way	(\$50)	(\$60)	(\$55)	(\$57)	(\$57)	(\$57)	(\$286)	(\$336)
SHOPP Capital Outlay Support	(\$514)	(\$524)	(\$560)	(\$560)	(\$564)	(\$546)	(\$2,754)	(\$3,268)
Engineer Pay Raise - SHOPP	(\$25)	(\$51)	(\$82)	(\$109)	(\$110)	(\$107)	(\$459)	(\$484)
TOTAL SHOPP	(\$1,576)	(\$1,962)	(\$2,269)	(\$2,454)	(\$2,567)	(\$2,599)	(\$11,851)	(\$13,427)
LOCAL ASSISTANCE								
Local Assistance Non-STIP (Federal)	(\$1,254)	(\$1,325)	(\$1,373)	(\$1,388)	(\$1,338)	(\$1,338)	(\$6,762)	(\$8,016)
Local Assistance Non-STIP (State)	(\$98)	(\$118)	(\$124)	(\$121)	(\$121)	(\$121)	(\$605)	(\$703)
Retrofit Soundwalls	(\$22)	(\$14)	(\$6)	(\$4)	(\$1)	(\$0)	(\$25)	(\$47)
Local Assistance Capital Outlay Support	(\$72)	(\$76)	(\$64)	(\$64)	(\$64)	(\$64)	(\$332)	(\$404)
Engineer Pay Raise - Local Assistance	(\$3)	(\$6)	(\$8)	(\$11)	(\$11)	(\$11)	(\$47)	(\$50)
TOTAL LOCAL ASSISTANCE	(\$1,449)	(\$1,540)	(\$1,576)	(\$1,587)	(\$1,535)	(\$1,534)	(\$7,771)	(\$9,220)
STIP								
STIP - State Highway	(\$342)	(\$169)	(\$104)	(\$33)	(\$4)	\$0	(\$310)	(\$652)
AB 3090 Cash Reimbursements	(\$12)	(\$61)	(\$10)	(\$30)	\$0	(\$23)	(\$124)	(\$136)
STIP - Local Roads	(\$77)	(\$50)	(\$11)	(\$1)	(\$1)	\$0	(\$62)	(\$139)
STIP - Rail	(\$38)	(\$16)	(\$2)	(\$0)	(\$0)	\$0	(\$19)	(\$56)
STIP - Mass Transportation	(\$2)	(\$1)	\$0	\$0	\$0	\$0	(\$1)	(\$2)
GARVEE Debt Service	(\$73)	(\$73)	(\$73)	(\$73)	(\$73)	(\$73)	(\$364)	(\$437)
Transportation Enhancements	(\$89)	(\$67)	(\$70)	(\$71)	(\$71)	(\$71)	(\$349)	(\$437)
STIP Right-of-Way	(\$120)	(\$120)	(\$120)	(\$50)	(\$25)	(\$10)	(\$325)	(\$445)
STIP Capital Outlay Support	(\$309)	(\$167)	(\$121)	(\$80)	(\$40)	\$0	(\$408)	(\$717)
Engineer Pay Raise - STIP	(\$4)	\$0	\$0	\$0	\$0	\$0	\$0	(\$4)
TOTAL STIP COMMITMENTS	(\$1,064)	(\$725)	(\$511)	(\$337)	(\$213)	(\$177)	(\$1,962)	(\$3,026)
CASH AVAILABLE FOR PROGRAMMING	\$871	(\$53)	(\$131)	(\$64)	(\$43)	(\$76)	(\$367)	(\$336)
SHA CAPACITY AVAILABLE FOR STIP	\$261	\$83	\$0	\$120	\$0	\$6	\$209	\$471

Notes: Numbers may not add due to rounding.



2006 STIP FUND ESTIMATE
STATE HIGHWAY AND FEDERAL TRUST FUND ACCOUNTS - FUND ESTIMATE DETAILS
TIER 2(A), (\$ millions)

STATE REVENUES	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total	6-Year Total
BEGINNING BALANCE	\$787.000							\$787.000
2004-05 Efficiency Savings	\$53.000							\$53.000
FUEL TAXES								
HUTA - Gas	\$1,814.204	\$1,849.026	\$1,887.039	\$1,925.051	\$1,963.064	\$2,001.076	\$9,625.256	\$11,439.460
HUTA - Diesel	\$345.655	\$352.289	\$359.531	\$366.774	\$374.016	\$381.259	\$1,833.869	\$2,179.524
HUTA - Other	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000	\$5.000	\$25.000	\$30.000
Total Fuel Taxes	\$2,164.859	\$2,206.315	\$2,251.570	\$2,296.825	\$2,342.080	\$2,387.335	\$11,484.125	\$13,648.984
MOTOR VEHICLE REGISTRATION (WEIGHT FEES)	\$887.500	\$894.392	\$921.714	\$949.036	\$976.358	\$1,003.680	\$4,745.180	\$5,632.680
MISCELLANEOUS RESOURCES								
SMIF	\$12.355	\$22.683	\$23.161	\$19.475	\$14.973	\$11.067	\$91.359	\$103.714
Other Regulatory Licenses and Permits	\$9.942	\$10.191	\$10.440	\$10.689	\$10.937	\$11.186	\$53.443	\$63.385
Other Revenues (S&HC 183.1):	\$51.486	\$52.000	\$53.786	\$54.936	\$56.513	\$57.820	\$275.055	\$326.541
Total Miscellaneous Resources	\$73.783	\$84.874	\$87.387	\$85.100	\$82.423	\$80.073	\$419.857	\$493.640
TRANSFERS TO/FROM OTHER FUNDS								
PTA per S&HC 194 and 2660-021-0042 B/A 02,03,04	(\$21.659)	(\$22.902)	(\$23.462)	(\$24.035)	(\$24.623)	(\$25.225)	(\$120.247)	(\$141.906)
PTA per S&HC 183.1	(\$52.811)	(\$51.485)	(\$52.000)	(\$53.786)	(\$54.936)	(\$56.513)	(\$268.720)	(\$321.531)
General Fund per 2660-014-0042, B/A 2004	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
PTA transfer per 2660-014-0046, B/A 2004	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Tribal Gaming Loan Repayment	\$465.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$465.000
Other Transfers	\$0.408	\$33.803	(\$9.056)	(\$8.893)	(\$8.639)	(\$8.626)	(\$1.411)	(\$1.003)
Total Transfers To/From Other Funds	\$390.938	(\$40.584)	(\$84.518)	(\$86.714)	(\$88.198)	(\$90.364)	(\$390.378)	\$0.560
EXPENDITURES (Other Departments)								
DMV, State Ops - Weight Fee Collection Costs (2740)	(\$39.222)	(\$41.287)	(\$43.461)	(\$45.749)	(\$48.157)	(\$50.693)	(\$229.346)	(\$268.568)
California Highway Patrol, State Ops (2720)	(\$52.568)	(\$40.519)	(\$43.708)	(\$46.793)	(\$47.165)	(\$46.151)	(\$224.335)	(\$276.903)
Other Expenditures	(\$9.686)	(\$4.896)	(\$5.006)	(\$5.029)	(\$5.128)	(\$5.106)	(\$25.165)	(\$34.851)
Total Expenditures (Other Departments)	(\$101.476)	(\$86.702)	(\$92.174)	(\$97.570)	(\$100.451)	(\$101.949)	(\$478.846)	(\$580.322)
Toll Bridge Seismic Retrofit Program	(\$341.826)	(\$8.330)	\$0.000	(\$1.000)	(\$99.000)	(\$153.000)	(\$261.330)	(\$603.156)
TOTAL STATE RESOURCES	\$3,913.778	\$3,049.965	\$3,083.979	\$3,145.676	\$3,113.212	\$3,125.776	\$15,518.608	\$19,432.386
FEDERAL REVENUES								
FEDERAL RESOURCES FOR STATE and LOCAL								
Obligation Authority (OA)	\$3,013.767	\$3,218.468	\$3,352.540	\$3,385.874	\$3,385.874	\$3,385.874	\$16,728.631	\$19,742.398
August Redistribution Bonus	\$29.000	\$29.000	\$29.000	\$29.000	\$29.000	\$29.000	\$145.000	\$174.000
PTA Federal Expenditures and FTA Transfer	(\$83.617)	(\$86.209)	(\$88.882)	(\$91.637)	(\$94.478)	(\$97.406)	(\$458.612)	(\$542.229)
Section 164 Penalties	(\$49.353)	(\$52.817)	(\$55.137)	(\$55.662)	(\$55.662)	(\$55.662)	(\$274.940)	(\$324.293)
Border Infrastructure Program	(\$17.168)	(\$19.536)	(\$22.496)	(\$24.864)	(\$24.864)	(\$24.864)	(\$116.624)	(\$133.792)
Recreational Trails	(\$2.318)	(\$2.485)	(\$2.653)	(\$2.820)	(\$2.820)	(\$2.820)	(\$13.598)	(\$15.916)
Toll Bridge HBRR expenditure per Ch.907/01	(\$100.000)	(\$100.000)	(\$100.000)	(\$42.000)	\$0.000	\$0.000	(\$242.000)	(\$342.000)
Total Federal Resources for State and Local	\$2,790.312	\$2,986.421	\$3,112.373	\$3,197.891	\$3,237.050	\$3,234.122	\$15,767.857	\$18,558.169
TOTAL STATE AND FEDERAL REVENUES	\$6,704.090	\$6,036.385	\$6,196.352	\$6,343.567	\$6,350.262	\$6,359.897	\$31,286.464	\$37,990.554

STATE AND FEDERAL EXPENDITURES	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total	6-Year Total
STATE OPERATIONS								
Program Development	(\$75.585)	(\$77.928)	(\$80.344)	(\$82.835)	(\$85.402)	(\$88.050)	(\$414.559)	(\$490.144)
Legal	(\$63.859)	(\$65.839)	(\$67.880)	(\$69.984)	(\$72.153)	(\$74.390)	(\$350.246)	(\$414.105)
Mass Transportation	(\$0.283)	(\$0.292)	(\$0.301)	(\$0.310)	(\$0.320)	(\$0.330)	(\$1.552)	(\$1.835)
Transportation Planning	(\$36.140)	(\$37.260)	(\$38.415)	(\$39.606)	(\$40.834)	(\$42.100)	(\$198.216)	(\$234.356)
Administration	(\$292.076)	(\$301.130)	(\$310.465)	(\$320.090)	(\$330.013)	(\$340.243)	(\$1,601.941)	(\$1,894.017)
Capital Outlay Support - Indirect and Other	(\$289.504)	(\$272.850)	(\$270.017)	(\$264.692)	(\$260.047)	(\$252.570)	(\$1,320.176)	(\$1,609.680)
Engineer Pay Raise - Indirect and Other	(\$12.001)	(\$22.621)	(\$33.580)	(\$43.890)	(\$43.120)	(\$41.880)	(\$185.091)	(\$197.092)
Local Assistance - State Operations and Planning	(\$35.378)	(\$36.258)	(\$37.165)	(\$38.100)	(\$39.064)	(\$40.058)	(\$190.644)	(\$226.022)
BCP Reservation	\$0.000	(\$52.000)	(\$104.000)	(\$107.224)	(\$110.548)	(\$113.975)	(\$487.747)	(\$487.747)
Total State Operations	(\$804.826)	(\$866.178)	(\$942.167)	(\$966.731)	(\$981.501)	(\$993.595)	(\$4,750.172)	(\$5,554.998)
MAINTENANCE								
Maintenance	(\$859.998)	(\$886.658)	(\$914.144)	(\$942.483)	(\$971.700)	(\$1,001.822)	(\$4,716.807)	(\$5,576.805)
Operations	(\$128.941)	(\$132.938)	(\$137.059)	(\$141.308)	(\$145.689)	(\$150.205)	(\$707.199)	(\$836.140)
Adjustment for TMS Inventory	\$0.000	(\$27.114)	(\$27.955)	(\$28.821)	(\$29.715)	(\$30.636)	(\$144.240)	(\$144.240)
Total Maintenance	(\$988.939)	(\$1,046.710)	(\$1,079.158)	(\$1,112.612)	(\$1,147.103)	(\$1,182.663)	(\$5,568.247)	(\$6,557.186)
EFFICIENCY SAVINGS	\$50.000	\$50.000	\$50.000	\$50.000	\$50.000	\$50.000	\$250.000	\$300.000
SHOPP								
SHOPP Construction Capital	(\$819.181)	(\$1,147.103)	(\$1,391.298)	(\$1,525.251)	(\$1,606.605)	(\$1,646.292)	(\$7,316.549)	(\$8,135.730)
SHOPP Minor Program (includes Minor Right-of-Way)	(\$69.612)	(\$93.479)	(\$100.097)	(\$105.830)	(\$109.088)	(\$112.448)	(\$520.941)	(\$590.554)
Stormwater	(\$64.763)	(\$85.524)	(\$79.204)	(\$84.166)	(\$84.833)	(\$87.517)	(\$421.244)	(\$486.008)
SHOPP Capital Outlay Office Projects	(\$33.700)	(\$0.844)	(\$2.003)	(\$12.447)	(\$35.059)	(\$42.999)	(\$93.352)	(\$127.052)
SHOPP Right-of-Way	(\$50.000)	(\$60.000)	(\$55.000)	(\$57.090)	(\$57.090)	(\$57.090)	(\$286.270)	(\$336.270)
SHOPP Capital Outlay Support	(\$513.795)	(\$523.651)	(\$559.906)	(\$560.275)	(\$564.021)	(\$546.457)	(\$2,754.310)	(\$3,268.105)
Engineer Pay Raise - SHOPP	(\$25.038)	(\$51.037)	(\$81.855)	(\$109.212)	(\$109.943)	(\$106.519)	(\$458.566)	(\$483.604)
Total SHOPP	(\$1,576.090)	(\$1,961.637)	(\$2,269.364)	(\$2,454.271)	(\$2,566.638)	(\$2,599.322)	(\$11,851.232)	(\$13,427.322)
LOCAL ASSISTANCE								
Local Assistance Federal Non-STIP	(\$1,253.752)	(\$1,324.670)	(\$1,373.282)	(\$1,388.092)	(\$1,338.092)	(\$1,338.092)	(\$6,762.228)	(\$8,015.980)
Local Assistance State Non-STIP	(\$98.224)	(\$117.823)	(\$124.314)	(\$120.736)	(\$121.243)	(\$121.107)	(\$605.224)	(\$703.447)
Retrofit Soundwalls	(\$22.337)	(\$14.405)	(\$6.107)	(\$3.548)	(\$0.849)	(\$0.229)	(\$25.138)	(\$47.475)
Local Assistance - Capital Outlay Support	(\$71.999)	(\$76.430)	(\$63.884)	(\$63.884)	(\$63.884)	(\$63.884)	(\$331.966)	(\$403.965)
Engineer Pay Raise - Local Assistance	(\$3.018)	(\$6.407)	(\$8.033)	(\$10.710)	(\$10.710)	(\$10.710)	(\$46.571)	(\$49.589)
Total Local Assistance	(\$1,449.330)	(\$1,539.735)	(\$1,575.620)	(\$1,586.971)	(\$1,534.779)	(\$1,534.022)	(\$7,771.126)	(\$9,220.456)
STIP CAPITAL OUTLAY COMMITMENTS								
STIP - State Highway	(\$341.958)	(\$168.967)	(\$104.290)	(\$32.833)	(\$3.838)	\$0.000	(\$309.928)	(\$651.886)
AB 3090 Cash Reimbursements	(\$11.800)	(\$61.499)	(\$10.102)	(\$29.776)	\$0.000	(\$23.000)	(\$124.377)	(\$136.177)
GARVEE Debt Service	(\$72.900)	(\$72.898)	(\$72.896)	(\$72.899)	(\$72.899)	(\$72.902)	(\$364.494)	(\$437.394)
Transportation Enhancements	(\$88.515)	(\$67.007)	(\$69.957)	(\$70.624)	(\$70.624)	(\$70.624)	(\$348.836)	(\$437.351)
STIP - Local Roads	(\$76.522)	(\$50.135)	(\$10.537)	(\$1.020)	(\$0.510)	\$0.000	(\$62.201)	(\$138.723)
STIP - Rail	(\$37.877)	(\$16.415)	(\$2.111)	(\$0.003)	(\$0.001)	\$0.000	(\$18.530)	(\$56.407)
STIP - Mass Transportation	(\$1.705)	(\$0.683)	\$0.000	\$0.000	\$0.000	\$0.000	(\$0.683)	(\$2.388)
STIP Right-of-Way	(\$120.000)	(\$120.000)	(\$120.000)	(\$50.000)	(\$25.000)	(\$10.000)	(\$325.000)	(\$445.000)
STIP Capital Outlay Support	(\$309.070)	(\$167.107)	(\$121.111)	(\$79.977)	(\$40.051)	\$0.000	(\$408.246)	(\$717.316)
Engineer Pay Raise - STIP	(\$3.711)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	(\$3.711)
Total STIP Capital Outlay Commitments	(\$1,064.058)	(\$724.711)	(\$511.004)	(\$337.132)	(\$212.922)	(\$176.526)	(\$1,962.294)	(\$3,026.352)
TOTAL STATE AND FEDERAL EXPENDITURES	(\$5,833.243)	(\$6,088.971)	(\$6,327.313)	(\$6,407.717)	(\$6,392.943)	(\$6,436.128)	(\$31,653.072)	(\$37,486.314)

2006 STIP FUND ESTIMATE
STATE HIGHWAY AND FEDERAL TRUST FUND ACCOUNTS
BUDGETARY LOOK - Arranged by Budgetary Character
Tier 2(A), (\$ millions)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total	6-Year Total
RESOURCES								
Beginning Balance	\$787							\$787
2004-05 Efficiency Savings	\$53							\$53
Fuel Taxes	\$2,165	\$2,206	\$2,252	\$2,297	\$2,342	\$2,387	\$11,484	\$13,649
Motor Vehicle Registration (Weight Fees)	\$888	\$894	\$922	\$949	\$976	\$1,004	\$4,745	5,633
Misc. Revenues	\$74	\$85	\$87	\$85	\$82	\$80	\$420	494
Tribal Gaming Loan Repayment	\$465	\$0	\$0	\$0	\$0	\$0	\$0	465
Net Transfers - Other	(\$74)	(\$41)	(\$85)	(\$87)	(\$88)	(\$90)	(\$390)	(464)
Expenditures - Other Agencies	(\$101)	(\$87)	(\$92)	(\$98)	(\$100)	(\$102)	(\$479)	(580)
Subtotal State Resources	\$4,256	\$3,058	\$3,084	\$3,147	\$3,212	\$3,279	\$15,780	\$20,036
Toll Bridge Seismic Retrofit Program	(\$342)	(\$8)	\$0	(\$1)	(\$99)	(\$153)	(\$261)	(\$603)
Total State Resources	\$3,914	\$3,050	\$3,084	\$3,146	\$3,113	\$3,126	\$15,519	\$19,432
Federal Revenues	\$3,043	\$3,247	\$3,382	\$3,415	\$3,415	\$3,415	\$16,874	\$19,916
PTA Federal Expenditures and FTA Transfer	(\$84)	(\$86)	(\$89)	(\$92)	(\$94)	(\$97)	(\$459)	(\$542)
Section 164 Penalties	(\$49)	(\$53)	(\$55)	(\$56)	(\$56)	(\$56)	(\$275)	(\$324)
Border Infrastructure Program	(\$17)	(\$20)	(\$22)	(\$25)	(\$25)	(\$25)	(\$117)	(\$134)
Recreational Trails	(\$2)	(\$2)	(\$3)	(\$3)	(\$3)	(\$3)	(\$14)	(\$16)
Toll Bridge HBRR Expenditure	(\$100)	(\$100)	(\$100)	(\$42)	\$0	\$0	(\$242)	(\$342)
Net Federal Resources	\$2,790	\$2,986	\$3,112	\$3,198	\$3,237	\$3,234	\$15,768	\$18,558
TOTAL RESOURCES	\$6,704	\$6,036	\$6,196	\$6,344	\$6,350	\$6,360	\$31,286	\$37,991
STATE OPERATIONS								
Maintenance	(\$860)	(\$887)	(\$914)	(\$942)	(\$972)	(\$1,002)	(\$4,717)	(\$5,577)
Traffic Operations	(\$129)	(\$133)	(\$137)	(\$141)	(\$146)	(\$150)	(\$707)	(\$836)
TMS Inventory Adjustment	\$0	(\$27)	(\$28)	(\$29)	(\$30)	(\$31)	(\$144)	(\$144)
General State Operations	(\$468)	(\$482)	(\$497)	(\$513)	(\$529)	(\$545)	(\$2,567)	(\$3,034)
Local Assistance State Operations	(\$35)	(\$36)	(\$37)	(\$38)	(\$39)	(\$40)	(\$191)	(226)
BCP Reservation	\$0	(\$52)	(\$104)	(\$107)	(\$111)	(\$114)	(\$488)	(\$488)
Efficiency Savings	\$50	\$50	\$50	\$50	\$50	\$50	\$250	\$300
Indirect & Other Capital Outlay Support	(\$290)	(\$273)	(\$270)	(\$265)	(\$260)	(\$253)	(\$1,320)	(\$1,610)
SHOPP - Capital Outlay Support	(\$514)	(\$524)	(\$560)	(\$560)	(\$564)	(\$546)	(\$2,754)	(3,268)
Local Assistance - Capital Outlay Support	(\$72)	(\$76)	(\$64)	(\$64)	(\$64)	(\$64)	(\$332)	(404)
STIP - Capital Outlay Support	(\$309)	(\$167)	(\$121)	(\$80)	(\$40)	\$0	(\$408)	(717)
Engineer Pay Raise	(\$44)	(\$80)	(\$123)	(\$164)	(\$164)	(\$159)	(\$690)	(734)
State Operations Total	(\$2,670)	(\$2,688)	(\$2,806)	(\$2,853)	(\$2,867)	(\$2,854)	(\$14,068)	(\$16,738)
CAPITAL OUTLAY								
SHOPP								
SHOPP	(\$819)	(\$1,147)	(\$1,391)	(\$1,525)	(\$1,607)	(\$1,646)	(\$7,317)	(\$8,136)
Stormwater	(\$65)	(\$86)	(\$79)	(\$84)	(\$85)	(\$88)	(\$421)	(486)
Right of Way	(\$50)	(\$60)	(\$55)	(\$57)	(\$57)	(\$57)	(\$286)	(336)
Facilities - Office Buildings	(\$34)	(\$1)	(\$2)	(\$12)	(\$35)	(\$43)	(\$93)	(127)
Minor Program	(\$70)	(\$93)	(\$100)	(\$106)	(\$109)	(\$112)	(\$521)	(591)
Local Assistance								
Retrofit Sound Walls	(\$22)	(\$14)	(\$6)	(\$4)	(\$1)	(\$0)	(\$25)	(47)
AB 3090 Cash Reimbursement Projects	(\$12)	(\$61)	(\$10)	(\$30)	\$0	(\$23)	(\$124)	(136)
STIP								
Highway & Local Roads	(\$418)	(\$219)	(\$115)	(\$34)	(\$4)	\$0	(\$372)	(\$791)
Rail	(\$38)	(\$16)	(\$2)	(\$0)	(\$0)	\$0	(\$19)	(56)
Mass Trans	(\$2)	(\$1)	\$0	\$0	\$0	\$0	(\$1)	(2)
Right of Way	(\$120)	(\$120)	(\$120)	(\$50)	(\$25)	(\$10)	(\$325)	(445)
GARVEE Debt Service	(\$73)	(\$73)	(\$73)	(\$73)	(\$73)	(\$73)	(\$364)	(437)
Transportation Enhancements	(\$89)	(\$67)	(\$70)	(\$71)	(\$71)	(\$71)	(\$349)	(437)
Total Capital Outlay	(\$1,811)	(\$1,959)	(\$2,024)	(\$2,045)	(\$2,066)	(\$2,123)	(\$10,218)	(\$12,028)
CASH AVAILABLE FOR PROGRAMMING	\$871	(\$53)	(\$131)	(\$64)	(\$43)	(\$76)	(\$367)	\$504

APPENDIX C - PUBLIC TRANSPORTATION ACCOUNT

The Public Transportation Account (PTA) supports the Department's transportation planning, mass transportation, Intercity Rail programs, and State Transportation Improvement Program (STIP) transit projects. PTA resources are derived from the sales taxes on gasoline and diesel fuels, and transfers from the SHA and the Aeronautics Account to pay for the Department's highway and airport planning activities that are not payable from sales tax revenues. The PTA also receives a transfer of Non- Article XIX revenues from the State Highway Account (SHA), pursuant to Streets & Highway Code Section 183.1.

Resources Available for Programming

The table below lists the total and annual PTA program capacities available for the 2006 STIP. After funding planning, operations, and program commitments, the PTA provides an additional \$1.46 billion of program capacity towards the 2006 STIP under Tier 2(A). However, this additional STIP program capacity will be restricted to PTA-eligible projects. Further details of the resources and expenditures are presented in the PTA Fund Estimate (FE).

2006 PTA FE: Tier 2(A) Programming Capacity (\$ millions)								
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total	6-Year Total
PTA Capacity Available for STIP	\$350	\$225	\$320	\$320	\$310	\$285	\$1,460	\$1,810

Note: Numbers may not add due to rounding.

Highlights

- Gasoline and diesel fuel sales tax revenues are based on Department of Finance estimates with future years reflecting the average annual growth rates of 1.7 percent on gasoline and 3.4 percent on diesel fuel.
- Expenditures of Intercity Rail operations are based on the 2004 State Rail Plan, including base expenditures, increased services, new routes, and heavy equipment overhaul.
- The remaining balance of capital outlay expenditures for the Intercity Rail track improvements are scheduled to occur over the three years from 2005-06 through 2007-08.
- AB 3090 cash reimbursements for PTA-eligible projects have been scheduled in the PTA FE.

- The PTA FE includes transfers to the Toll Bridge Seismic Retrofit Account (TBSRA) pursuant to Assembly Bill 144 (Chapter 71, Statutes of 2005), including the transfer of \$125 million from PTA Spillover Revenues to the TBSRA in 2006-07.
- **Tier 2(A) assumptions:**
 - \$122.5 million of the outstanding loan of \$275 million from the PTA to the TCRF is scheduled to be repaid by the General Fund in 2005-06 from bond proceeds secured by Tribal Gaming revenues. The balance is to be repaid by June 2008.
 - The PTA share of Transportation Investment Fund transfers are scheduled to be received in the 2005-06 and continue for the remainder of the FE period.
 - The Transportation Deferred Investment Fund repayments to the PTA from TIF suspensions in 2003-04 and 2004-05 are scheduled to occur in 2007-08 and 2008-09, as prescribed in statute.
 - PTA Spillover revenues—derived from 4.75 percent of all taxable sales less 5.0 percent of all taxable sales except gasoline—are assumed to be transferred to the PTA in 2006-07 and continue for remainder of the FE period.

2006 STIP FUND ESTIMATE
PUBLIC TRANSPORTATION ACCOUNT
TIER 2(A), (\$ thousands)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total	6-Year Total
RESOURCES								
Beginning Balance	\$217,000							\$217,000
Federal Trust Matching Funds Offset	\$37,617	\$38,783	\$39,985	\$41,225	\$42,503	\$43,821	\$206,317	\$243,934
Sales Tax on Gasoline-Prop 111*	\$67,899	\$69,232	\$70,347	\$71,479	\$72,630	\$73,799	\$357,487	\$425,386
Sales Tax on Diesel*	\$206,433	\$191,852	\$189,204	\$189,037	\$192,395	\$197,957	\$960,445	\$1,166,878
Interest (SMIF)	\$2,760	\$2,443	\$1,886	\$6,883	\$5,238	\$3,478	\$19,928	\$22,688
Transfer from Aeronautics Account	\$30	\$30	\$30	\$30	\$30	\$30	\$150	\$180
Transfer from State Highway Account (S&HC 194)	\$21,659	\$22,902	\$23,462	\$24,035	\$24,623	\$25,225	\$120,247	\$141,906
Non Article XIX Transfer from SHA (S&HC 183.1)	\$52,811	\$51,485	\$52,000	\$53,786	\$54,936	\$56,513	\$268,720	\$321,531
Transfer to Toll Bridge Seismic Retrofit Account	(\$30,000)	(\$164,900)	\$0	\$0	\$0	\$0	(\$164,900)	(\$194,900)
Tier 2(A) Revenue Assumptions:								
Sales Tax on Gasoline-Spillover*	\$0	\$333,279	\$262,556	\$210,195	\$166,023	\$141,107	\$1,113,160	\$1,113,160
TCRP Loan Payback	\$122,500	\$0	\$0	\$152,400	\$0	\$0	\$152,400	\$274,900
Transfer from TIF*	\$127,000	\$141,000	\$170,000	\$306,000	\$322,000	\$339,000	\$1,278,000	\$1,405,000
Transfer from TDIF*	\$0	\$0	\$113,000	\$95,800	\$0	\$0	\$208,800	\$208,800
TOTAL RESOURCES	\$825,709	\$686,106	\$922,471	\$1,150,870	\$880,378	\$880,929	\$4,520,754	\$5,346,463
STATE TRANSIT ASSISTANCE	(\$200,666)	(\$367,682)	(\$402,554)	(\$436,256)	(\$376,524)	(\$375,932)	(\$1,958,946)	(\$2,159,612)
SUB TOTAL AVAILABLE RESOURCES	\$625,043	\$318,424	\$519,917	\$714,615	\$503,854	\$504,998	\$2,561,808	\$3,186,851
STATE OPERATIONS								
Rail and Mass Transportation Staff and Support	(\$23,721)	(\$24,456)	(\$25,214)	(\$25,996)	(\$26,802)	(\$27,633)	(\$130,102)	(\$153,823)
Planning Staff and Support	(\$19,730)	(\$20,342)	(\$20,972)	(\$21,622)	(\$22,293)	(\$22,984)	(\$108,213)	(\$127,943)
Administration and Technical Services	(\$2,720)	(\$2,804)	(\$2,891)	(\$2,981)	(\$3,073)	(\$3,169)	(\$14,918)	(\$17,638)
California Transportation Commission	(\$1,269)	(\$1,308)	(\$1,349)	(\$1,391)	(\$1,434)	(\$1,478)	(\$6,960)	(\$8,229)
High-Speed Rail Authority	(\$3,926)	(\$4,048)	(\$4,173)	(\$4,303)	(\$4,436)	(\$4,573)	(\$21,533)	(\$25,459)
Institute of Transportation Studies	(\$980)	(\$1,010)	(\$1,042)	(\$1,074)	(\$1,107)	(\$1,142)	(\$5,375)	(\$6,355)
Public Utilities Commission	(\$2,436)	(\$2,512)	(\$2,589)	(\$2,670)	(\$2,752)	(\$2,838)	(\$13,361)	(\$15,797)
General Administration Expenditures (Prorata)	(\$34)	(\$35)	(\$36)	(\$37)	(\$38)	(\$40)	(\$186)	(\$220)
Federal Trust Matching Funds for State Ops.	(\$37,617)	(\$38,783)	(\$39,985)	(\$41,225)	(\$42,503)	(\$43,821)	(\$206,317)	(\$243,934)
TOTAL STATE OPERATIONS	(\$92,433)	(\$95,298)	(\$98,253)	(\$101,299)	(\$104,439)	(\$107,676)	(\$506,965)	(\$599,398)
INTERCITY RAIL STATE OPERATIONS								
Intercity Rail and Bus Operations - Base	(\$73,138)	(\$73,138)	(\$73,138)	(\$73,138)	(\$73,138)	(\$73,138)	(\$365,690)	(\$438,828)
Additional Services on Existing Routes	\$0	(\$3,662)	(\$8,362)	(\$9,962)	(\$12,262)	(\$23,062)	(\$57,310)	(\$57,310)
New Routes	\$0	(\$7,300)	(\$12,700)	(\$23,900)	(\$31,600)	(\$32,100)	(\$107,600)	(\$107,600)
Intercity Rail - Heavy Equipment Overhaul	(\$13,100)	(\$14,000)	(\$13,800)	(\$9,300)	(\$13,100)	(\$12,600)	(\$62,800)	(\$75,900)
TOTAL INTERCITY RAIL STATE OPERATIONS	(\$86,238)	(\$98,100)	(\$108,000)	(\$116,300)	(\$130,100)	(\$140,900)	(\$593,400)	(\$679,638)
LOCAL ASSISTANCE								
Bay Area Ferry Operations/Waterborne	(\$2,908)	(\$2,937)	(\$2,967)	(\$2,997)	(\$3,027)	(\$3,058)	(\$14,987)	(\$17,895)
STIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AB 3090 Cash Reimbursements	(\$43,600)	(\$63,300)	(\$66,370)	(\$43,800)	\$0	\$0	(\$173,470)	(\$217,070)
TOTAL LOCAL ASSISTANCE	(\$46,508)	(\$66,237)	(\$69,337)	(\$46,797)	(\$3,027)	(\$3,058)	(\$188,457)	(\$234,965)
CAPITAL OUTLAY								
Intercity Rail Track Improvements	(\$32,328)	(\$22,646)	(\$11,019)	\$0	\$0	\$0	(\$33,665)	(\$65,993)
TOTAL CAPITAL OUTLAY	(\$32,328)	(\$22,646)	(\$11,019)	\$0	\$0	\$0	(\$33,665)	(\$65,993)
CASH AVAILABLE FOR PROGRAMMING	\$367,536	\$36,143	\$233,309	\$450,219	\$266,288	\$253,363	\$1,239,322	\$1,606,858
PTA CAPACITY AVAILABLE FOR STIP	\$350,000	\$225,000	\$320,000	\$320,000	\$310,000	\$285,000	\$1,460,000	\$1,810,000

* Items subject to 50% split with STA

APPENDIX D – TRANSPORTATION INVESTMENT FUND

The Transportation Investment Fund (TIF) was established by the Traffic Congestion Relief Act of 2000 (Chapter 91, Statutes of 2000; and Chapter 656, Statutes of 2000). The TIF was created to facilitate the General Fund transfers of gasoline sales tax revenues to fund the Traffic Congestion Relief Program (TCRP) and distribute the remaining funds by formula to local government – 40 percent, the Public Transportation Account (PTA) – 20 percent, and the State Transportation Improvement Program (STIP) – 40 percent. TIF transfers for the TCRP are scheduled to end in 2007-08, after which transfers will flow directly to local government, the PTA, and the STIP by the same formula.

Resources Available for Programming

The table below lists the total and annual TIF program capacity available for the 2006 STIP. Further details of the resources available for programming are presented in the following pages.

2006 TIF FE: Tier 2(A) Programming Capacity (\$ millions)								
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total	6-Year Total
TIF Capacity Available for STIP	\$600	\$800	\$685	\$685	\$680	\$680	\$3,530	\$4,130

Note: Numbers may not add due to rounding.

Highlights

- The Department of Finance forecasts taxable sales for the state and produces the estimates for the TIF transfers. The TIF transfer for 2005-06 is estimated at \$1.313 billion and is projected to increase at an annual rate of 5 percent during the Fund Estimate (FE) period.
- The Transportation Refinancing Plan, AB 438 (Chapter 113, Statutes of 2001), delayed the General Fund transfers to TIF for two years with transfers beginning in 2003-04 and ending in 2007-08. AB 438 also authorized a loan of \$350 million from the SHA to the Traffic Congestion Relief Fund (TCRF) to fund the TCRP local road subvention program, with the repayment made to the STIP in 2006-07 and 2007-08 from the local share of TIF transfers.
- In March 2002, Proposition 42 made the transfer of the sales tax on gasoline to the TIF permanent, and requires gasoline sales tax revenue transferred to the TIF beginning in 2008-09 be used for state and local transportation purposes. The Proposition also allows the Legislature,

upon a two-thirds vote, to enact a statute suspending in whole or in part the transfer to TIF for a fiscal year.

- AB 1750 (Chapter 223, Statutes of 2003), trailer bill to the 2003-04 Budget Act, provided only a partial transfer of \$289 million to TIF from the General Fund in 2003-04. In the following year, SB 1099 (Chapter 210, Statutes of 2004) completely suspended the General Fund transfer to TIF in 2004-05. Fiscal year 2005-06 is the first year since TIF was established in 2000 that the full transfer is scheduled to be made to the TIF.

2006 STIP FUND ESTIMATE
TRANSPORTATION INVESTMENT FUND
Tier 2 (A), (\$ millions)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total	6-Year Total
RESOURCES								
Beginning Reserves:	\$0							
Revenues from the General Fund	\$1,313	\$1,382	\$1,454	\$1,531	\$1,612	\$1,694	\$7,673	\$8,986
General Fund Loan	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Less Transfers Out:</i>								\$0
Traffic Congestion Relief Fund	(\$678)	(\$678)	(\$602)	\$0	\$0	\$0	(\$1,280)	(\$1,958)
Local Street and Road Repairs	(\$254)	\$0	\$0	(\$612)	(\$645)	(\$678)	(\$1,935)	(\$2,189)
Public Transportation Account	(\$127)	(\$141)	(\$170)	(\$306)	(\$322)	(\$339)	(\$1,279)	(\$1,406)
TOTAL RESOURCES	\$254	\$563	\$682	\$612	\$645	\$678	\$3,180	\$3,434
CASH AVAILABLE FOR PROGRAMMING	\$254	\$563	\$682	\$612	\$645	\$678	\$3,180	\$3,434
TIF CAPACITY AVAILABLE FOR STIP	\$600	\$800	\$685	\$685	\$680	\$680	\$3,530	\$4,130

Note: Numbers may not add due to rounding.

APPENDIX E - TRANSPORTATION DEFERRED INVESTMENT FUND

The Transportation Deferred Investment Fund (TDIF) was established by AB 1751 (Chapter 224, Statutes of 2003) in response to the suspension of the General Fund transfer to TIF in 2003-04. The TDIF was created to facilitate the repayment of TIF funds not transferred from the General Fund. TDIF repayments will be distributed in the same manner and amounts had the transfers been made, and include interest calculated at the Pooled Money Investment Account (PMIA) rate.

Resources Available for Programming

The table below summarizes the resources available for additional programming in the TDIF. Further details of the resources available for programming are presented in the following pages.

2006 TDIF FE: Tier 2(A) Programming Capacity								
(\$ millions)								
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total	6-Year Total
TDIF Capacity Available for STIP	\$0	\$0	\$226	\$191	\$0	\$0	\$417	\$417

Note: Numbers may not add due to rounding.

Highlights

- AB 1750 (Chapter 223, Statutes of 2003) partially suspended the General Fund transfer to TIF in 2003-04, and AB 1751 stated repayment of \$856 billion would be made to TDIF with interest by June 30, 2009.
- SB 1099 (Chapter 210, Statutes of 2004) suspended the General Fund transfer to TIF in 2004-05, and SB 1098 (Chapter 212, Statutes of 2004) stated repayment of \$1.243 billion would be made to TDIF with interest by June 30, 2008.
- An advance TDIF payment of \$122.5 million to local government for the 2003-04 TIF suspension was scheduled in 2005-06 from anticipated Tribal Gaming bond proceeds.

2006 STIP FUND ESTIMATE
TRANSPORTATION DEFERRED INVESTMENT FUND
Tier 2(A), (\$ millions)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	5-Year Total	6-Year Total
RESOURCES								
Beginning Reserves:								
General Fund Loan Payback	\$123	\$0	\$1,243	\$734	\$0	\$0	\$1,977	\$1,977
PMIA Interest	\$0	\$0	\$0	\$12	\$0	\$0	\$12	\$12
<i>Less Transfers Out:</i>								
Traffic Congestion Relief Fund	\$0	\$0	(\$678)	(\$389)	\$0	\$0	(\$1,067)	(\$1,067)
Local Street and Road Repairs	(\$123)	\$0	(\$226)	(\$69)	\$0	\$0	(\$295)	(\$295)
Public Transportation Account	\$0	\$0	(\$113)	(\$96)	\$0	\$0	(\$209)	(\$209)
TOTAL RESOURCES	\$0	\$0	\$226	\$191	\$0	\$0	\$417	\$417
CASH AVAILABLE FOR PROGRAMMING	\$0	\$0	\$226	\$191	\$0	\$0	\$417	\$417
TDIF CAPACITY AVAILABLE FOR STIP	\$0	\$0	\$226	\$191	\$0	\$0	\$417	\$417

Note: Numbers may not add due to rounding.

APPENDIX F – TOLL BRIDGE SEISMIC RETROFIT

In the August 2004 Quarterly Report on the Toll Bridge Seismic Retrofit Program (TBSRP), the Department identified a new funding need of \$3.6 billion. In response, the Legislature passed Assembly Bill (AB) 144 (Chapter 71, Statutes of 2005). AB 144 provided new funding sources to meet the new program cost of \$8.685 billion including the \$5.085 billion previously identified in AB 1171 (Chapter 907, Statutes of 2001). The funding provided in both AB 1171 and AB 144 is as follows:

Funding Provided in AB 1171 for TBSRP (\$ in millions)	
Fund Source	Amount
Seismic Bond Act of 1996	\$650
Surplus from Phase II (Seismic Bond Act of 1996)	\$140
Vincent Thomas TBRA	\$15
San Diego - Coronado TBRF	\$33
Seismic Surcharge (Bond principal amount)	\$2,282
State Highway Account	\$1,437
- State: \$795	
- Federal (HBRR): \$642	
Public Transportation Account	\$80
ITIP/SHOPP/Federal Contingency	\$448
Total	\$5,085
Funding Provided in AB 144 for TBSRP (\$ in millions)	
Toll Revenue	\$2,150
BATA Consolidation	\$820
State Highway Account	\$430
- State \$130	
- Federal (HBRR): \$300	
Redirect of PTA Spillover	\$125
Motor Vehicle Account	\$75
Total	\$3,600
TBSRP Total	\$8,685

Prior to enactment of AB 144, the Department was responsible for the financial management of the \$1 dollar seismic surcharge portion of toll revenue from state-owned bridges in the Bay Area and the Bay Area Toll Authority (BATA) was responsible for the remaining \$2 dollars. AB 144 identifies BATA as the sole entity responsible for management of all toll revenues on these bridges. The Department will continue to provide capital outlay, administration and other support, but will now be performing these tasks on a reimbursement basis.

AB 144 specifies that the California Transportation Commission (Commission), in consultation with the Department and BATA, shall adopt a schedule for the payment of the remaining state contributions no later than December 31, 2005.

The Table below shows the current schedule of remaining contributions adopted by the Commission at the September 2005 meeting.

Schedule of Contributions to the Toll Bridge Seismic Retrofit Program											
(\$ millions)											
Source	Description	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
AB1171	SHA Contribution	\$342	\$8								\$350
	PTA Contribution	\$30	\$40								\$70
	HBRR Contribution	\$100	\$100	\$100	\$42						\$342
	Contingency				\$1	\$99	\$100	\$100	\$148		\$448
AB 144	Efficiency Savings						\$53	\$50	\$27		\$130
	Motor Vehicle Fuel Account	\$75									\$75
	Spillover Transfer		\$125								\$125
	Demolition Costs									\$300	\$300
	Total	\$547	\$273	\$100	\$43	\$99	\$153	\$150	\$175	\$300	\$1,840

APPENDIX G – 2006 STIP FUND ESTIMATE ASSUMPTIONS BY FUND

The California Transportation Commission adopted the assumptions used in the development of the 2006 STIP Fund Estimate (FE) on May 26, 2005. The adopted assumptions are listed below. Updates and changes to the adopted assumptions are included in Appendix H.

State Highway Account:

Resources

SHA 1. The actual adjusted cash balance as of June 30, 2005 will be the beginning balance of the 2006 FE.

SHA 2. Based on a cash analysis of the monthly SHA receipts less expenditures from July 2003 through June 2004, a minimum level of operating cash of \$340 million would be sufficient to cover 95 percent of the monthly volatility in the SHA.

Revenues

SHA 3. Fuel excise tax revenues are estimated to grow at an average annual rate of 2.2 percent for the five year FE period. (See Appendix H for the update to this assumption.)

SHA 4. Weight Fee revenues in the 2006 FE are estimated to increase at approximately 2.5 percent annually over the FE period. This is consistent with the Weight Fee collection history prior to Senate Bill (SB) 2084 (Chapter 861, Statutes of 2000), and SB 1055 (Chapter 719, Statutes of 2003), and the growth pattern observed after the full fix was implemented.

Transfers

SHA 5. Revenues from Non-Article XIX sources are forecast based on historical transfers to the SHA, and transferred to the PTA per Section 183.1 of the Streets & Highway Code the year after they are received.

SHA 6. The 2006 FE assumes the SHA will receive these transfers from the Motor Vehicle Account (MVA) in the FE period pursuant to Vehicle Code Section 42273.

Loans

SHA 7. The 2006 FE assumes repayment of the \$35 million California Highway Patrol loan plus accrued interest in 2006-07.

SHA 8. Transportation Congestion Relief Fund (TCRF) Loan Repayment Options: (See Appendix H for the update to this assumption.)

TIER 1(B): Assume no Tribal Gaming revenues and no loan repayments during the FE period.

TIER 2(A): Assume bond proceeds secured by Tribal Gaming revenues are received and outstanding loans are paid in 2005-06. (Existing Law)

Federal Revenues

SHA 9. The California Obligation Authority (OA) level is estimated based on the proposed House Bill HR3 resulting in approximately \$15.1 billion in OA for the FE period. (See Appendix H for the update to this assumption.)

SHA 10. The 2006 FE assumes an August Redistribution of \$29 million each year based on the average amount received over the last Transportation Act.

SHA 11. The 2006 FE assumes federal programs currently authorized will continue into the next Act. (See Appendix H for the update to this assumption.)

Advanced Project Development Element (APDE)

SHA 12. Do not include the Advanced Project Development Element in the 2006 FE.

Escalation Rates

SHA 13. Highway Construction Capital Escalation Rate: Assume a one-time increase of 8.3 percent to the 2005-06 base year then escalate construction capital expenditures at 3.0 percent over the FE period. This results in a State Highway Operation and Protection Program (SHOPP) program level of \$10.2 billion over the FE period, \$1.6 billion over the non-escalated 10-Year SHOPP level. (See Appendix H for the update to this assumption.)

SHA 14. The Department of Finance California Construction Cost Index (CCCI) escalation rate of 5.5 percent is used to escalate costs for the construction of office buildings.

State Operations (See Appendix H for the update to the methodology for this section.)

SHA 15. State Operations includes a \$50 million efficiency savings in each of the FE years to reflect the Department and Agency goal to increase funds available for capital outlay. Total savings from efficiencies over the FE period will be \$250 million.

SHA 16. Professional Engineers in California Government (PECG), otherwise known as collective Bargaining Unit 9, negotiated a raise for each year from 2005-06 through 2008-09. The pay raise is estimated to be approximately

\$44 million in 2005-06 and increase by an additional \$44 million each year through 2008-09. This increase impacts indirect support under State Operations as well as direct support costs for Maintenance, Operations, SHOPP, and Local Assistance.

SHA 17. Based on a review of Department expenditures for four fiscal years, the 2006 FE includes a \$52 million reservation in 2006-07 and 2007-08 for budget increases associated with traffic congestion, safety, and information technology upgrades (excluding COS, Maintenance, and Operations).

SHA 18. Maintenance and Operations expenditures for Transportation Management Systems (TMS) includes a 2.7 percent increase beginning in 2006-07 and escalated at 2.5 percent thereafter for the costs associated with operating and maintaining the TMS inventory levels over the FE period.

State Highway Operation and Protection Program

SHA 19. SHOPP Program expenditures are based on the proposed 2005 10-Year SHOPP plan level of \$1.73 billion per year, excluding Capital Outlay Support (COS), and escalated at a rate approved by the Commission over the FE period. (See Appendix H for the update to this assumption.)

- A. Minor Program is held constant at \$100 million per year beginning with 2005-06 and includes Minor Right of Way costs.
- B. Right of Way costs are based on programmed costs through 2007-08. For later years, it is assumed that Right of Way will be 3.3 percent of the accepted SHOPP capital level.
- C. Facilities expenditures for state owned facilities are based on the enacted 2005-06 Budget and the Department's Capital Outlay Five-Year plan.

SHA 20. COS for SHOPP is based on the approved SHOPP level as currently programmed and future levels as determined by the Commission.

Local Assistance

SHA 21. Local Assistance federal project delivery is assumed 100 percent over the FE period. Therefore, federal lump sum allocations will not be cash flowed to reflect 100 percent delivery of the local OA.

SHA 22. A 4-year payback of \$200 million in OA by the state to Local Assistance will pay \$50 million per year and begin in 2005-06 to reimburse the state's use of unused local OA from prior years.

SHA 23. The state and local percentage split for allocation of federal funds, including August Redistributions, is estimated at 36/64. (See Appendix H for the update to this assumption.)

SHA 24. State expenditures assume allocation for Railroad Crossing Protection Maintenance Program at \$1 million annually for the FE period consistent with Commission Resolution G04-11.

SHA 25. The 2006 FE includes a \$10 million transfer per year to the Environmental Enhancement and Mitigation (EEM) Fund beginning in 2006-07 as intended under S&H Code Section 164.56.

State Transportation Improvement Program (STIP)

SHA 26. STIP capital outlay expenditures reflect a continuation of all projects authorized under the current program and all amendments based on Commission allocation criteria for 2004-05. Unallocated STIP program from 2004-05 has been shifted to 2005-06.

SHA 27. COS expenditures are based on programmed STIP projects allocated during 2004-05 and prior years, and pre-construction engineering and right of way support for projects programmed for support to begin in 2005-06.

GARVEE and AB 3090 Projects

SHA 28. Current GARVEE and AB 3090 reimbursement projects are recognized as prior STIP expenditure commitments.

SHA 29. Any future GARVEE or AB 3090 reimbursement projects are within the identified resources for programming.

SHA 30. The FE does not assume any additional capacity from GARVEE bonding or AB 3090 cash arrangements during the FE period.

Public Transportation Account

Resources

PTA 1. The beginning PTA cash balance for the 2006 FE is calculated on an accrual basis and will be based on the year-end balance as of June 30, 2005. (See Appendix H for the update to this assumption.)

PTA 2. Based on an analysis of the monthly volatility from receipts less expenditures in the PTA, adopt the minimum operating cash balance of \$65 million, which should cover 95 percent of the volatility.

Revenues

PTA 3. Gasoline and diesel fuel sales tax revenues are based on DOF estimates with future years reflecting the average annual growth rates of 1.7 percent on gasoline and 3.4 percent on diesel fuel.

PTA 4. PTA “Spillover” Revenue Options:

TIER 1(B): Assume no Spillover revenue transfers will occur during the FE period.

TIER 2(A): Assume Spillover revenues are transferred in 2006-07 and transfers continue for remainder of the FE period. (Existing Law)

Transfers/Loans

PTA 5. The SHA transfers of miscellaneous revenues to the PTA under S&H Code Section 183.1 are based on previous year SHA revenues and transferred to the PTA the following fiscal year.

PTA 6. The SHA transfer to the PTA for planning under S&H Code 194 is determined by formula based on a breakdown of PTA State Operations expenditures and escalated at the Bureau of Economic Analysis (BEA) price deflator rate of 2.5 percent. (See Appendix H for the update to this assumption.)

PTA 7. Federal Trust Funds are based on the eligible mass transit and planning expenditures within State Operations of the enacted budget and escalated at the BEA price deflator rate of 2.5 percent. (See Appendix H for the update to this assumption.)

PTA 8. Transfer from the Aeronautics Account, per Public Utilities Code Section 21682.5, is \$30,000 per fiscal year.

PTA 9. The PTA share of the Toll Bridge Seismic Retrofit Program (TBSRP) costs per the Department’s TBSRP Plan of Finance are assumed to be \$30 million in 2005-06 and \$40 million in 2006-07. (See Appendix H for the update to this assumption.)

PTA 10. TCRF Loan Repayment of \$275 million to the PTA is discussed in assumption item SHA 8. (See Appendix H for the update to this assumption.)

PTA 11. TIF Transfers to the PTA are discussed in assumption item TIF 1.

PTA 12. TDIF Repayments to the PTA are discussed in assumption item TDIF 1.

Expenditures

PTA 13. Intercity rail is part of the State Operations expenditures in the PTA. Expenditures are based on the 2004 State Rail Plan:

A. Intercity rail and bus operations base expenditures for existing services is estimated at \$73.1 million for each year of the FE. This assumes that increased costs would be offset by higher revenue from increases in ridership gains and fares.

B. Expenditures for increased services on existing routes are estimated at \$57.5 million over the 2006 FE period. Expenditures for new routes are estimated at \$107.6 million over the FE period.

C. The Department's estimated need for heavy equipment maintenance and overhaul over the FE period is \$62.8 million.

PTA 14. Bay Area Ferry operations expenditures are based on the enacted 2005-06 Budget. Future expenditures are escalated by 1.01 percent based on historical expenditures.

PTA 15. State Operations are based on the enacted 2005-06 Budget and escalated at 2.5 percent per year. (See Appendix H for the update to this assumption.)

PTA 16. Capital outlay expenditures for the remaining balance of intercity rail track improvements are scheduled over the three years from 2005-06 through 2007-08 in the 2006 FE.

Transportation Investment Fund (TIF)

TIF 1. TIF Transfer Options:

TIER 1(B): Assume no TIF transfers will occur during the FE period.

TIER 2(A): Assume a TIF transfer in 2006-07 and transfers continue for remainder of the FE period. (Existing Law)

Transportation Deferred Investment Fund (TDIF)

TDIF 1. TDIF Repayment Options:

TIER 1(B): Assume no TDIF repayments during the FE period.

TIER 2(A): Assume 2003-04 and 2004-05 TIF suspensions are repaid to the TDIF in June 2009 and June 2008 as prescribed by AB 1751 (Chapter 224, Statutes of 2003) and SB 1098 (Chapter 212, Statutes of 2004), respectively. (Existing Law.)

APPENDIX H – CHANGES AND UPDATES TO ASSUMPTIONS

Following the adoption of the 2006 Fund Estimate (FE) Assumptions by the Commission on May 26, 2005, certain assumptions were adjusted after receiving updated information. The original assumptions and updates are provided below.

State Highway Account (SHA)

SHA 3. Fuel Excise Taxes

- Adopted Assumption: The average annual rate for fuel excise tax revenues was originally calculated as 2.2 percent for the five-year FE period.
- Update to Assumption: The actual growth rate of the forecast is 2.0 percent for the five-year FE period.

SHA 8. Traffic Congestion Relief Fund (TCRF) Loan Repayment Options

- Adopted Assumption: The adopted assumption for TCRF loan repayments was a tiered assumption as follows:
 - **TIER 1(B):** Assume no Tribal Gaming revenues and no loan repayments during the FE period.
 - **TIER 2(A):** Assume bond proceeds secured by Tribal Gaming revenues are received and outstanding loans are paid in 2005-06. (Existing law, originally stated total repayment of \$1.214 billion)
- Update to Assumption: The estimated repayment amount of \$1.214 billion was reduced to \$1 billion in the enacted 2005-06 Budget.

SHA 9. Obligation Authority

- Adopted Assumption: The adopted assumption for the FE Obligation Authority (OA) level was estimated based on 93 percent of apportionments proposed in House Bill HR3. Total OA was estimated to be \$15.1 billion for the FE period.
- Update to Assumption: Federal (OA) is based on the federal program apportionment levels in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) signed into law in August 2005.
 - The FE OA level is estimated to be \$16.7 billion over the FE period before set-asides (see SHA 11 update). OA is assumed to be 93% of SAFETEA-LU apportionments, using the prior apportionment to obligation authority ratio from TEA-21.

- An \$850 million rescission from California's total federal apportionments, scheduled for September 30, 2009, is assumed to come out of apportionments and will not impact the OA level estimated in the FE.
- Additional non-State Transportation Improvement Program eligible program funding was identified, and set asides were made in the final FE to exclude these funds from the State Transportation Improvement Program (STIP) funding. These set asides include Border Infrastructure Program, Recreational Trails, and Section 164 Penalties for Repeat Offenders. OA available for the new STIP is also reduced by the Highway Bridge Replacement and Repair (HBRR) set aside for Toll Bridge financing (AB 1171) and the funding of federal expenditures against the PTA.

SHA 11. Federal Programs

- Adopted Assumption: The FE assumed that that federal programs currently authorized would continue into the next Act.
- Updates to Assumption: SAFETEA-LU makes changes to the core federal programs by separating previously combined programs and creating new ones. Currently, there is no state legislation addressing how the funding for the new federal programs will split funding between the state and local agencies. Commission staff and the Department developed the following assumptions to address how the funding for the new federal programs would be treated in the FE.

<u>Federal Program</u>	<u>State/Local Split:</u>
○ Safety	50-50%
○ Rail-Highway Crossings	50-50%
○ Border Infrastructure Program	100% State
○ Safe Routes to School	100% local
○ Residual Equity Bonus ¹	100% State

1. Equity Bonus is assumed distributed same as MG, with redistribution to core programs and residual to the state. Locals receive core program funding from CMAQ and geographically distributed portion of CMAQ, plus 50% of Highway Safety Improvement Program.

- The 2006 FE also assumes that the following federal funding would not be available for program capacity: Border Infrastructure Program, Metropolitan Planning, Recreational Trails, Section 164 Penalties for Repeat Offenders, and federal expenditures for eligible mass transportation planning and operations.

General Methodology for State Operations Expenditures

- Adopted Methodology: State Operations, excluding Capital Outlay Support (COS), were based on the enacted 2005-06 Budget and escalated using the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) implicit price deflator rate of 2.5 percent per year.
- Update to Methodology: The escalation rate for State Operations expenditures has been updated to 3.1 percent, using the Department of Finance (DOF) implicit price deflator rate, per Budget Letter 05-22.

SHA 19. State Highway Operation and Protection Program (SHOPP)

- Adopted Assumption: SHOPP Program expenditures were estimated based on the proposed 2005 10-Year SHOPP Plan level of \$1.73 billion per year, excluding COS, and escalated at a rate approved by the Commission.
- Update to Assumption: To ensure that SHOPP will be fully funded under both tiers, SHOPP program expenditures are based on a constrained SHOPP level of \$1.70 billion in 2006-07 and beyond, as directed by Commission staff, and escalated based on adopted assumption SHA 13.

SHA 23. State and Local Split of Federal Funds

- Adopted Assumption: The State and local percentage split for allocation of federal funds, including August Redistributions, was estimated at 64/36.
- Update to Assumption: With the signing of SAFETEA-LU, the State and local federal funding split, including August Redistributions, was changed to 61/39 based on federal program funding detail.

Public Transportation Account (PTA)

PTA 1. Beginning PTA Cash Balance

- Adopted Assumption: The beginning PTA cash balance was calculated on an accrual basis based on the year-end balance as of June 30, 2005.
- Update to Assumption: The original assumption did not clearly state that the PTA beginning balance would be on a cash basis. For clarification, the beginning balance of the PTA FE is based on the year-end cash balance of the PTA as of June 30, 2005.

PTA 6. Streets and Highways (S&H) Code 194 Transfers

- Adopted Assumption: The SHA transfer to the PTA for planning under S&H Code 194 will be determined by formula based on a breakdown of PTA State

Operations expenditures and escalated at the BEA price deflator rate of 2.5 percent

- Update to Assumption: The escalation rate for S&H Code 194 transfers has been updated to 3.1 percent, using the DOF implicit price deflator rate per Budget Letter 05-22.

PTA 7. Federal Trust Funds

- Adopted Assumption: Federal Trust Funds are based on the eligible mass transit and planning expenditures within State Operations of the enacted budget were escalated at the BEA price deflator rate of 2.5 percent.
- Update to Assumption: The escalation rate for Federal Trust Funds expenditures has been updated to 3.1 percent, using the DOF implicit price deflator rate per Budget Letter 05-22.

PTA 9. PTA Share of Toll Bridge Costs

- Adopted Assumption: The PTA share of the Toll Bridge Seismic Retrofit Program (TBSRP) costs per the Department's TBSRP Plan of Finance was assumed to be \$30 million in 2005-06 and \$40 million in 2006-07.
- Update to Assumption: Per Assembly Bill 144 (Chapter 71, Statutes of 2005), an additional \$125 million is due to the Toll Bridge Seismic Retrofit Account from Spillover revenues in 2006-07, for a total of \$165 million out of the PTA in Tier 2(A). *(Note: Under Tier 1(B), the \$125 Spillover was assumed to be transferred directly from the General Fund.)*

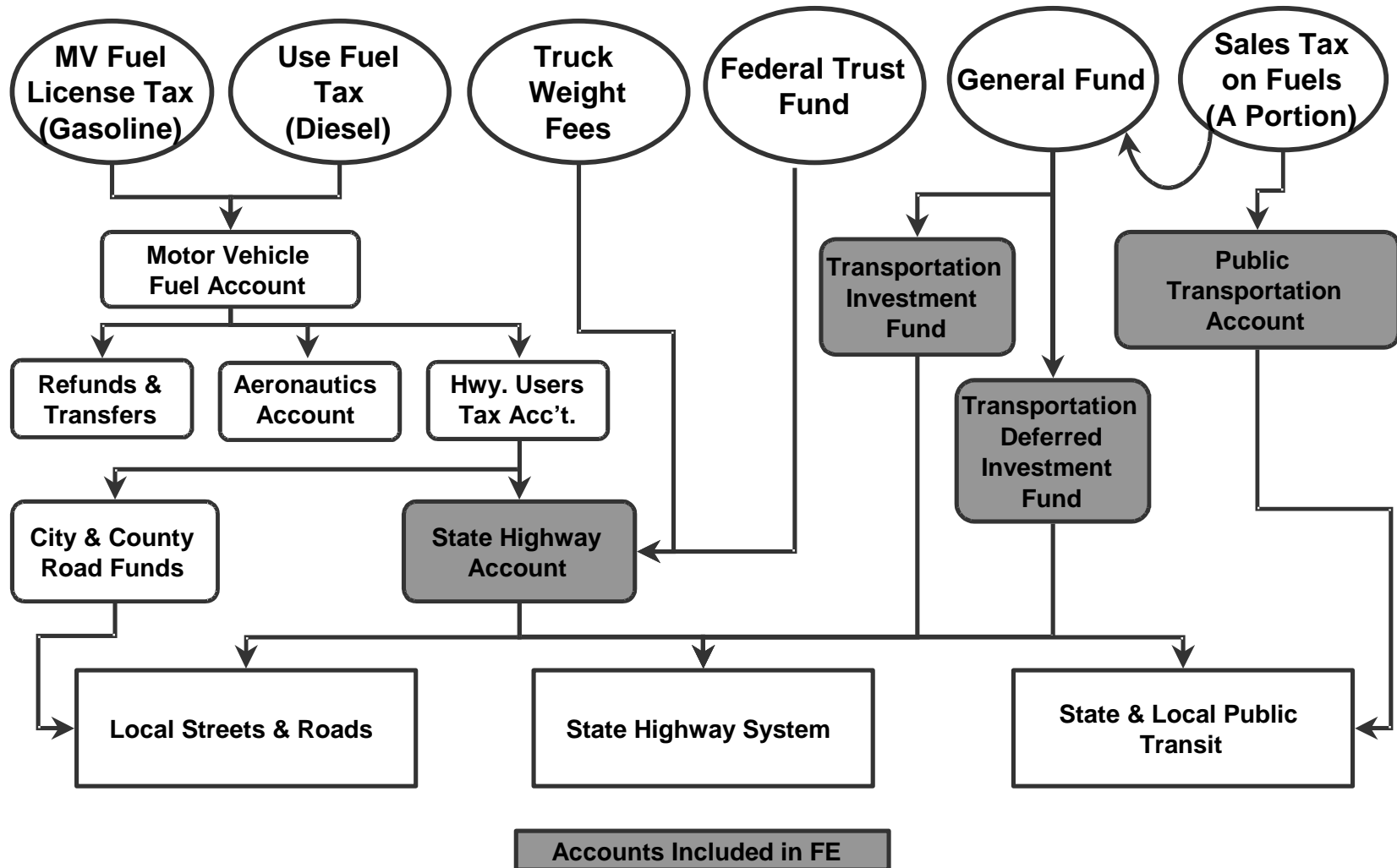
PTA 10. TCRF Loan Repayment

- Adopted Assumption: The TCRF loan repayment to the PTA through Tribal Gaming revenues was assumed to be \$275 million in 2005-06.
- Update to Assumption: The repayment amount to the PTA in 2005-06 was reduced to \$122.5 million, with the balance to be paid by June 2008.

PTA 15. State Operations Expenditures

- Adopted Assumption: State Operations are based on the enacted 2005-06 Budget and escalated at 2.5 percent per year.
- Update to Assumption: The escalation rate for PTA State Operations expenditures has been updated to 3.1 percent, using the DOF implicit price deflator rate per Budget Letter 05-22.

APPENDIX I – SIMPLIFIED FLOW OF FUNDS



APPENDIX J – STATUTES REGARDING THE STIP FUND ESTIMATE

California Government Code

§14524. (a) Not later than July 15, 2001, and July 15 of each odd-numbered year thereafter, the department shall submit to the commission a five-year estimate pursuant to Section 164 of the Streets and Highways Code, in annual increments, of all federal and state funds reasonably expected to be available during the following five fiscal years.

(b) The estimate shall specify the amount that may be programmed in each county for regional improvement programs pursuant to paragraph (2) of subdivision (a) of Section 164 of the Streets and Highways Code and shall identify any statutory restriction on the use of particular funds.

(c) For the purpose of estimating revenues, the department shall assume that there will be no changes in existing state and federal statutes. Federal funds available for demonstration projects that are not subject to federal obligational authority, or are accompanied with their own dedicated obligational authority, shall not be considered funds that would otherwise be available to the state and shall not be included in the fund estimate.

(d) The method by which the estimate is determined shall be determined by the commission, in consultation with the department, transportation planning agencies, and county transportation commissions.

§14525. (a) Not later than August 15, 2001, and August 15 of each odd-numbered year thereafter, the commission shall adopt a five-year estimate pursuant to Section 164 of the Streets and Highways Code, in annual increments, of all state and federal funds reasonably expected to be available during the following five fiscal years.

(b) The estimate shall specify the amount that may be programmed in each county for regional improvement programs under paragraph (2) of subdivision (a) of Section 164 of the Streets and Highways Code and shall identify any statutory restriction on the use of particular funds.

(c) For the purpose of estimating revenues, the commission shall assume that there will be no change in existing state and federal statutes. Federal funds available for demonstration projects that are not subject to federal obligational authority, or are accompanied with their own dedicated obligational authority, shall not be considered funds that would otherwise be available to the state and shall not be included in the fund estimate.

(d) If the commission finds that legislation pending before the Legislature or the United States Congress may have a significant impact on the fund estimate, the commission may postpone the adoption of the fund estimate for no more

than 90 days. Prior to March 1 of each even-numbered year, the commission may amend the estimate following consultation with the department, transportation planning agencies, and county transportation commissions to account for unexpected revenues or other unforeseen circumstances. In the event the fund estimate is amended, the commission shall extend the dates for the submittal of improvement programs as specified in Sections 14526 and 14527 and for the adoption of the state transportation improvement program pursuant to Section 14529.

§14525.1. The department and the commission shall use an inflation rate that has been established by the Department of Finance. The Department of Finance shall consult with the Legislative Analyst and the Department of Transportation when calculating the inflation rate for this purpose.

§14529. (a) The state transportation improvement program shall include a listing of all capital improvement projects that are expected to receive an allocation of state transportation funds under Section 164 of the Streets and Highways Code, including revenues from transportation bond acts, from the commission during the following five fiscal years. It shall include, and be limited to, the projects to be funded with the following:

(1) Interregional improvement funds.

(2) Regional improvement funds.

(b) For each project, the program shall specify the allocation or expenditure amount and the allocation or expenditure year for each of the following project components:

(1) Completion of all permits and environmental studies.

(2) Preparation of plans, specifications, and estimates.

(3) The acquisition of rights-of-way, including, but not limited to, support activities.

(4) Construction and construction management and engineering, including surveys and inspection.

(c) Funding for right-of-way acquisition and construction for a project may be included in the program only if the commission makes a finding that the sponsoring agency will complete the environmental process and can proceed with right-of-way acquisition or construction within the five-year period. No allocation for right-of-way acquisition or construction shall be made until the completion of the environmental studies and the selection of a preferred alternative.

(d) The commission shall adopt and submit to the Legislature and the Governor, not later than April 1 of each even-numbered year thereafter, a state transportation improvement program. The program shall cover a period of five

years, beginning July 1 of the year it is adopted, and shall be a statement of intent by the commission for the allocation or expenditure of funds during those five years. The program shall include projects which are expected to receive funds prior to July 1 of the year of adoption, but for which the commission has not yet allocated funds.

(e) The projects included in the adopted state transportation improvement program shall be limited to those projects submitted or recommended pursuant to Sections 14526 and 14527. The total amount programmed in each fiscal year for each program category shall not exceed the amount specified in the fund estimate adopted under Section 14525.

§14529.01. (a) It is the intent of the Legislature to facilitate project development work on needed transportation projects to produce a steady flow of construction projects by adding an advance project development element to the state transportation improvement program, beginning with the 2000 State Transportation Improvement Program.

(b) The advance project development element shall include only project development activities for projects that are eligible for inclusion in a state transportation improvement program.

(c) The fund estimate for each state transportation improvement program shall designate an amount to be available for the advance project development element, which shall be not more than 25 percent of the programmable resources estimated to be available for the first and second years following the period of the state transportation improvement program, subject to the formulas in Sections 164, 188 and 188.8 of the Streets and Highways Code.

(d) The department, transportation planning agencies, and county transportation commissions may nominate projects to the commission for inclusion in the advance project development element through submission of the regional transportation improvement program and the interregional transportation improvement program.

(e) The funds programmed in the advance project development element may be allocated within the period of the state transportation improvement program without regard to fiscal year.

(f) Not later than September 1, 2002, the commission shall report to the Governor and the Legislature on the impact of adding the advance project development element described in subdivision (a) with the funding level described in subdivision (c). The report shall evaluate whether the element has proven effective in producing a steady, deliverable stream of projects and whether addition of the element has resulted in any detrimental effects on the state's transportation system.

(g) The commission may develop guidelines to implement this section.

Streets and Highways Code

§163. The Legislature, through the enactment of this section, intends to establish a policy for the use of all transportation funds that are available to the state, including the State Highway Account, the Public Transportation Account, and federal funds. For the purposes of this section, "federal funds" means any obligational authority to be provided under annual federal transportation appropriations acts. The department and the commission shall prepare fund estimates pursuant to Sections 14524 and 14525 of the Government Code based on the following:

(a) Annual expenditures for the administration of the department shall be the same as the most recent Budget Act, adjusted for inflation.

(b) Annual expenditures for the maintenance and operation of the state highway system shall be the same as the most recent Budget Act, adjusted for inflation and inventory.

(c) Annual expenditure for the rehabilitation of the state highway system shall be the same as the most recent Budget Act, or, if a long-range rehabilitation plan has been enacted pursuant to Section 164.6, it shall be based on planned expenditures in a long-range rehabilitation plan prepared by the department pursuant to Section 164.6.

(d) Annual expenditures for local assistance shall be the amount required to fund local assistance programs required by state or federal law or regulations, including, but not limited to, railroad grade crossing maintenance, bicycle transportation account, congestion mitigation and air quality, regional surface transportation programs, local highway bridge replacement and rehabilitation, local seismic retrofit, local hazard elimination and safety, and local emergency relief.

(e) After deducting expenditures for administration, operation, maintenance, local assistance, safety, and rehabilitation pursuant to subdivisions (a), (b), (c), and (d), and for expenditures pursuant to Section 164.56, the remaining funds shall be available for capital improvement projects to be programmed in the state transportation improvement program.

§164. (a) Funds made available for transportation capital improvement projects under subdivision (e) of Section 163 shall be programmed and expended for the following program categories:

(1) Twenty-five percent for interregional improvements.

(2) Seventy-five percent for regional improvements.

(b) Sixty percent of the funds available for interregional improvements under paragraph (1) of subdivision (a) shall be programmed and expended for improvements to state highways that are specified in Sections 164.10 to 164.20,

57inclusive, and that are outside the boundaries of an urbanized area with a population of more than 50,000, and for intercity rail improvements.

(c) Not less than 15 percent of the amount of funds programmed under subdivision (b) shall be programmed for intercity rail improvement projects, including separation of grade projects.

(d) Funds made available under paragraph (1) of subdivision (a) shall be used for transportation improvement projects that are needed to facilitate interregional movement of people and goods. The projects may include state highway, intercity passenger rail, mass transit guideway, or grade separation projects.

(e) Funds made available under paragraph (2) of subdivision (a) shall be used for transportation improvement projects that are needed to improve transportation within the region. The projects may include, but shall not be limited to, improving state highways, local roads, public transit, intercity rail, pedestrian, and bicycle facilities, and grade separation, transportation system management, transportation demand management, soundwall projects, intermodal facilities, safety, and providing funds to match federal funds.

APPENDIX K – CTC RESOLUTION



CALIFORNIA TRANSPORTATION COMMISSION

Adoption of the 2006 Fund Estimate

Resolution G-05-08

- 1.1. WHEREAS, Government Code Sections 14524 and 14525 require the Department of Transportation (Department) to present and the California Transportation Commission (Commission) to adopt a biennial State Transportation Improvement Program (STIP) Fund Estimate to include and estimate all State and federal funds reasonably expected to be available for the biennial STIP, including the amount that may be programmed in each county for regional improvement programs; and
- 1.2. WHEREAS, the Department presented an overview of the process, schedule, and special issues, including uncertainty regarding major revenues that would impact the fund estimate, at the Commission's March 2005 meeting; and
- 1.3. WHEREAS, there is a high level of uncertainty with regard to the amount of state funds to be available for the STIP because some of those funds are dependent upon yearly actions taken during the annual budget process, including annual Proposition 42 transfers to the Transportation Investment Fund, annual transfers to the Transportation Deferred Investment Fund (repayment of prior year TIF transfers), proceeds from the sale of tribal gaming bonds, and annual transfers of the Public Transportation Account spillover; and
- 1.4. WHEREAS, in view of this uncertainty, the Commission directed that the Department prepare a fund estimate with two tiers, a Tier A that

includes all of these funds as provided in current statute and a Tier B that does not assume any of these funds; and

- 1.5 WHEREAS, the Department presented, and the Commission adopted, the 2006 Fund Estimate Assumptions at the Commission's May 2005 meeting; and
- 1.6 WHEREAS, on July 14, 2005, the Department presented the 2006 Draft Fund Estimate and identified several pending issues including legislation on the financing plan of the Toll Bridge Seismic Retrofit Program (TBSRP) and the federal transportation reauthorization bill that would impact the Fund Estimate; and
- 1.7 WHEREAS, on August 18, 2005, the Commission postponed the adoption of the 2006 STIP Fund Estimate until September 2005, in order to take into account the effects of the financing plan of the TBSRP and federal reauthorization; and
- 1.8 WHEREAS, on September 29, 2005, the Department presented to the Commission an updated Proposed 2006 STIP Fund Estimate; and
- 1.9 WHEREAS, Tier A of the Proposed Fund Estimate identifies new programming capacity of about \$1.355 billion from the Public Transportation Account, \$116 million for federal Transportation Enhancement (TE) project funding, and \$455 million from other funds; and
- 1.10 WHEREAS, the Proposed Fund Estimate indicated that Tier B funding would not support any STIP allocations at all over the five-year STIP period; and
- 1.11 WHEREAS, the Proposed Fund Estimate includes estimates of county and interregional shares and annual programming targets, adjusted for STIP amendments and allocations through September 2005;
- 2.1 NOW THEREFORE BE IT RESOLVED that the Commission hereby adopts the 2006 STIP Fund Estimate, as presented by the Department at the Commission's September 29, 2006 meeting, with programming in the 2006 STIP to be based on the statutory funding identified in Tier A; and
- 2.2 BE IT FURTHER RESOLVED that the Commission requests that the Department, in cooperation with Commission staff, distribute copies of the 2006 STIP Fund Estimate, including estimates of county and interregional shares and annual targets updated to include actions approved at the September 29, 2005 meeting, to each regional agency and county transportation commission.



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